



2024/2025 INTERIM RESULT

HONMA GOLF LIMITED(6858.HK)

NOV. 2024

ONE OF THE MOST PRESTIGIOUS AND ICONIC BRANDS IN THE GOLF INDUSTRY

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01
HONMA



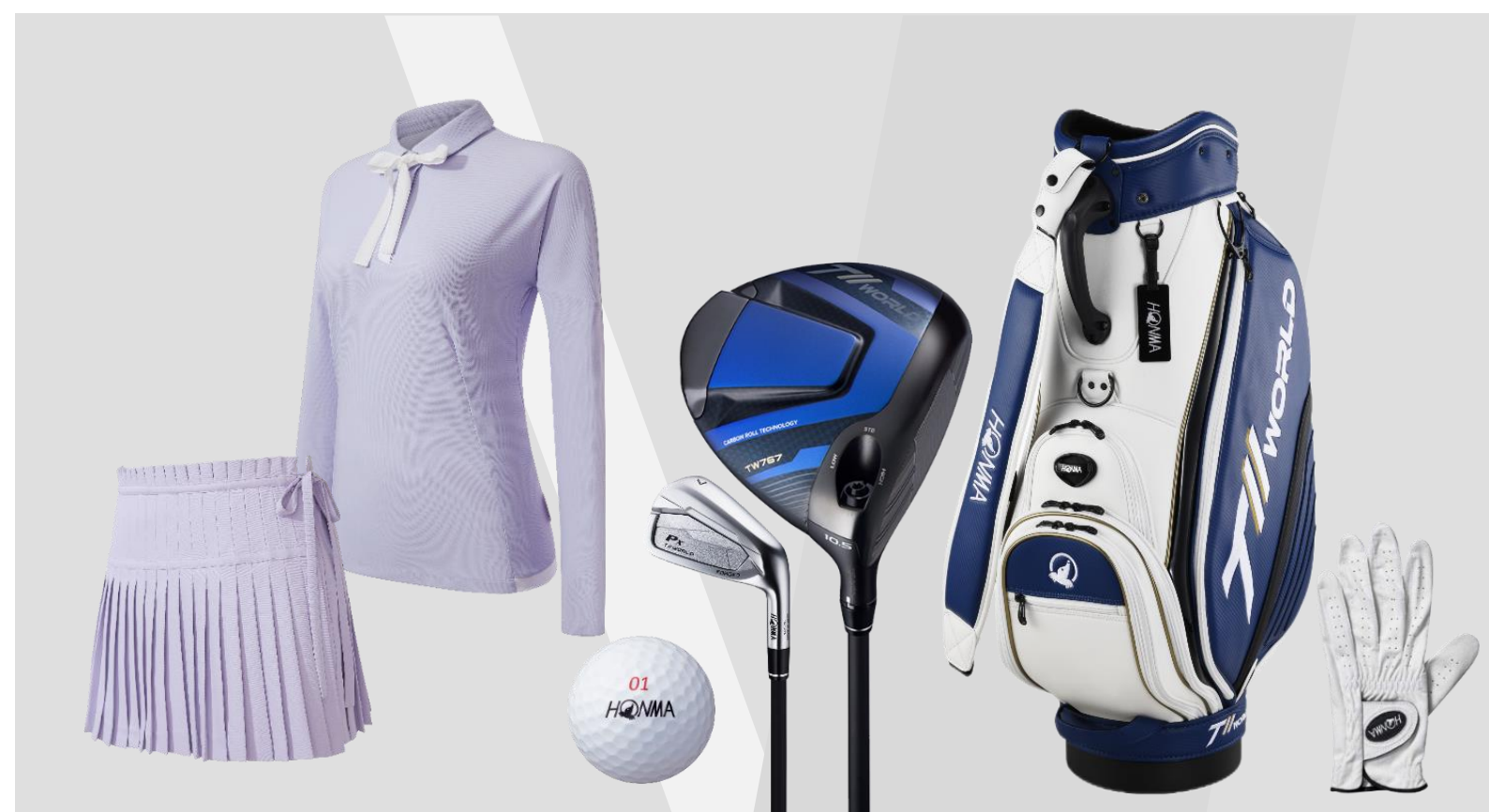


#1 PREMIUM GOLF BRAND FOUNDED IN 1959, JAPAN
67 YEARS OF DEDICATIONS TOWARDS QUALITY AND CRAFTSMANSHIP
THE ONLY VERTICALLY INTEGRATED GOLF COMPANY IN THE WORLD



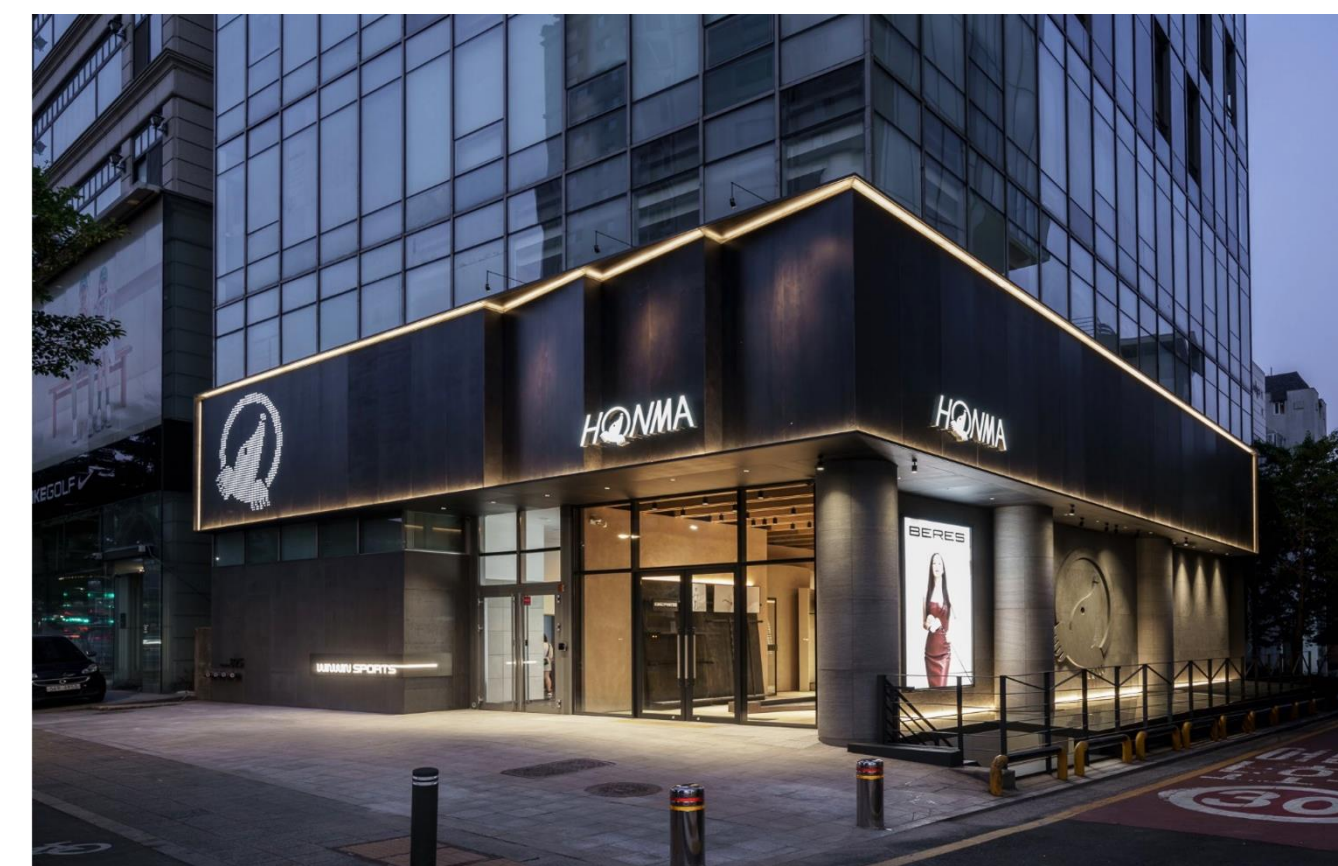
IN-HOUSE R&D AND CLUB MANUFACTURING

- 188 R&D personnel and skilled craftsmen operating out of 163,000 m² of manufacturing base in Sakata, Japan
- Advanced and sophisticated design and manufacturing capacity, housed under one roof



COMPREHENSIVE CLUB AND NON-CLUB PRODUCT PORTFOLIO

- Diversified range of premium golf products
- Club portfolio focusing on super-premium and premium-performance consumer segments
- Comprehensive range of non-club products including balls, apparels and accessories



EXTENSIVE DTC + DISTRIBUTION NETWORK

- Presence in over 50 countries
- Unique omni channel, 93 self-operated stores overlaid with 3,665 third party POS
- Fast growing E-commerce business in China, Japan and the US

02 PERFORMANCE OVERVIEW



Since early 2023, the golf industry has seen downward adjustments in both no. of rounds played and purchase interest of golfers at different stages and across different markets.

For the six months ended 30 September 2024, the Company continued to pivot sales growth from its direct-to-consumer channels while implementing efficiency optimization in its wholesales channel.

KEY FINANCIALS	Half Year Ended 30 Sep 2024	Change vs Half Year Ended 30 Sep 2023
Net Sales	JPY 9,815 MM / USD 64.8 MM ⁽¹⁾	-25.6% (constant currency base: -28.4%)
Gross Profit Margin	53.0%	+0.9pp
EBITDA - EBITDA Margin	JPY -495 MM / USD -3.3 MM ⁽¹⁾ -5.0%	-110.5% -40.6pp
Net Profit - Net Profit Margin	JPY -846 MM / USD -5.6 MM ⁽¹⁾ -8.6%	-125.4% -33.8pp
Reported Earnings Per Share	JPY -1.40 / HKD -0.07 ⁽³⁾	-125.4%
Net Operating Cash Flow	JPY 4,024 MM / USD 26.6 MM ⁽¹⁾	+23.8%
Net Cash Position	JPY 11,815 MM / USD 82.7 MM ⁽²⁾	+16.7%
Proposed Dividend	N/A	

Note (1) Exchange rate: 1 USD = 151.51 JPY (2) Exchange rate: 1 USD = 142.78 JPY (3) Exchange rate: 1 HKD = 19.40 JPY

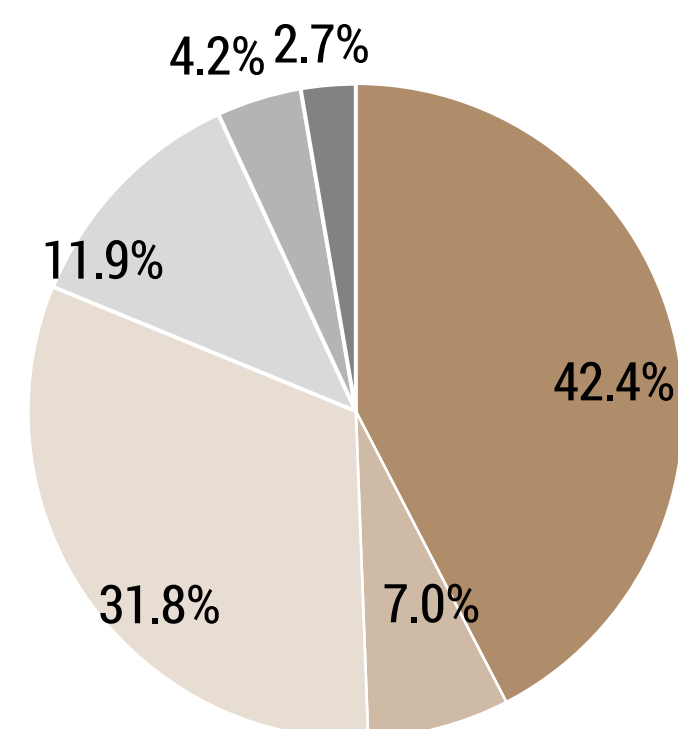
PERFORMANCE OVERVIEW *BY MARKET*

IH FY25 NET SALES: JPY 9,815 MM / USD 64.8 MM, -25.6% YOY

- Revenue from Japan marginally decreased by 0.4% while the Group focused on self-operated channels and gradually moved away from loss-making and low-efficiency wholesale channels. Such strategy resulted in a 7.6% decrease in wholesale business in Japan, while retail business in Japan increased by 5.4% compared to the same period last year.
- China (including Hong Kong and Macau) experienced a decline of 11.5% as the overall economy and retail market sentiment continued to experience slowdown and downward adjustment.
- Korea recorded a sales decline of 82.6%, following the Group's decision to review its distribution strategy amidst major reshuffle within Korea's golf market.
- Europe and North America rose by 92.4% and 23.5%, respectively, benefitting from recovery from past years' channel optimisation.

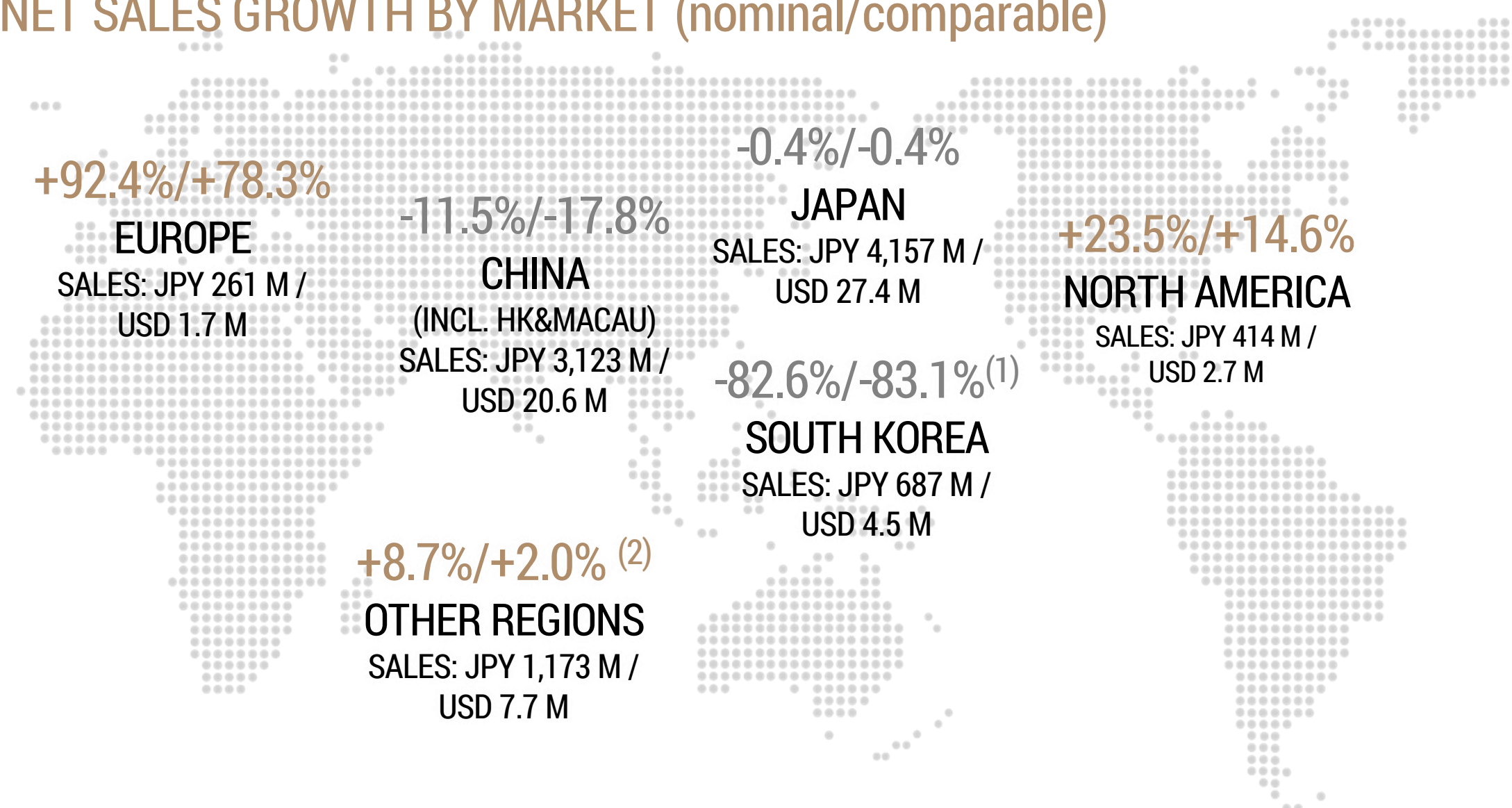
NET SALES MIX BY MARKET

%



- Japan
- Korea
- China(Including Hong Kong and Macau)
- Other Regions
- North America
- Europe

NET SALES GROWTH BY MARKET (nominal/comparable)



Note (1) Sales from South Korea recorded a decline of 82.6%, mainly due to the Group's decision to review its distribution network amidst major reshuffle within Korea's golf markets.

Note (2) Sales from Other Regions increased 8.7%, mainly due to improved pricing policy and successful activation of BERES products.

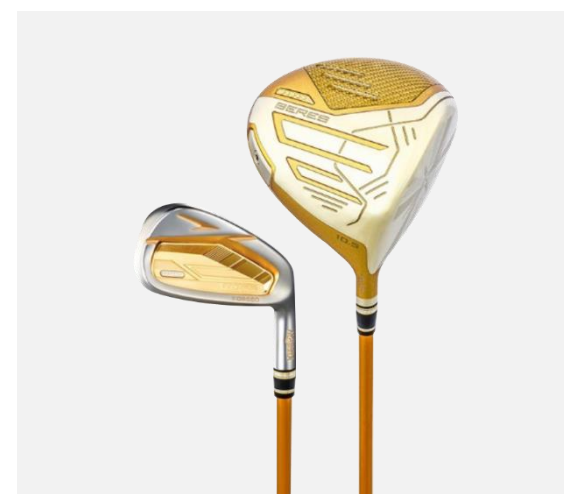
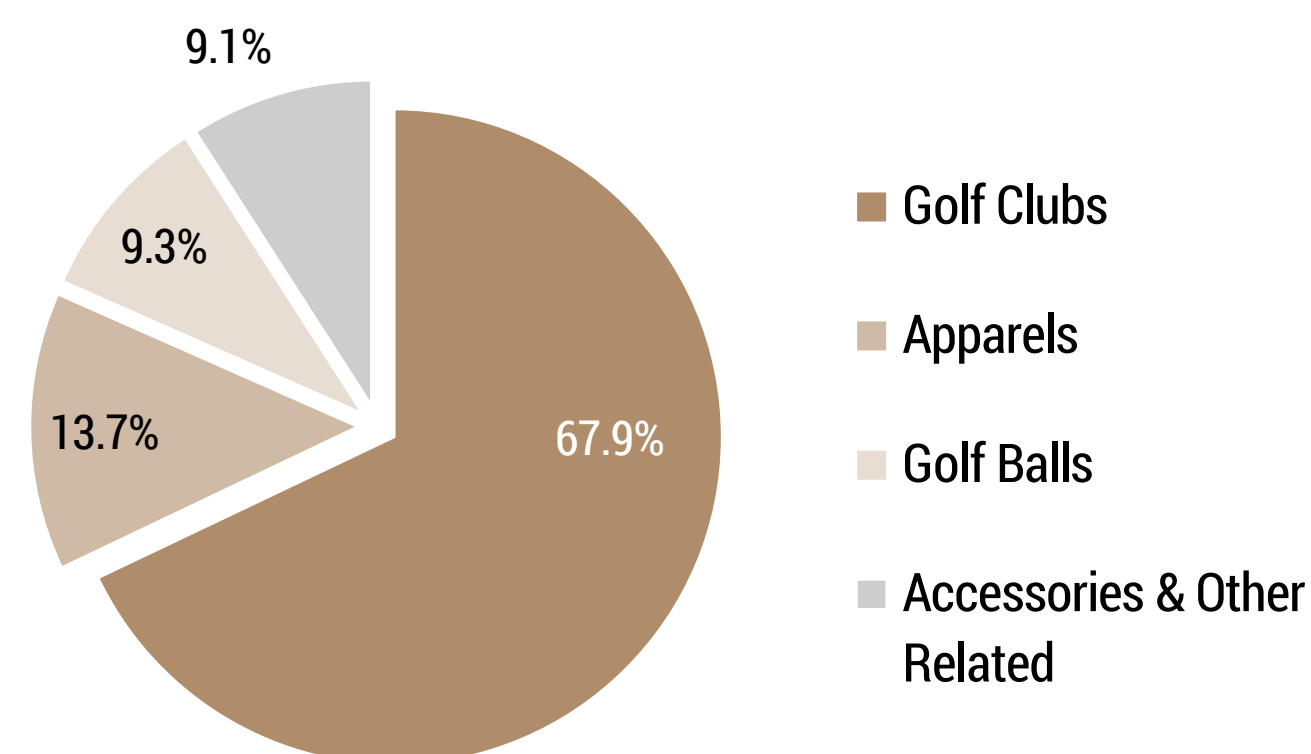
PERFORMANCE OVERVIEW *BY PRODUCT CATEGORY*

IH FY25 NET SALES: JPY 9,815 MM / USD 64.8 MM, -25.6% YOY

- Although facing multiple challenges within the industry, revenue from BERES golf clubs rose by **18.4%** in Japan and by **49.4%** in Southeast Asia, following the launch of BERES 09 in early 2024, reconfirming HONMA's strong brand equity and its ability to withstand economic challenges.
- Apparel sales went up by **6.1%** while gross profit margin increased **29.1PP** to **57.3%** thanks to successful new product launches, as well as continued marketing and branding campaigns to drive consumer awareness.
- Sales from golf balls decreased following upward price adjustments in Japan in the face of continued currency devaluation pressure.

NET SALES MIX BY PRODUCT CATEGORIES

%



GOLF CLUBS

NET SALES -33.3% TO JPY 6,674 MILLION / 44.0 USD MM

GROSS MARGIN +1.1PP TO 60.4%

- net sales came down mainly due to a decline of golf clubs sales in Korea and China. The rest of the markets all showed **double-digit sales growth** in the sales of golf clubs.
- gross profit margin went up thanks to continued price management and manufacturing cost improvements.

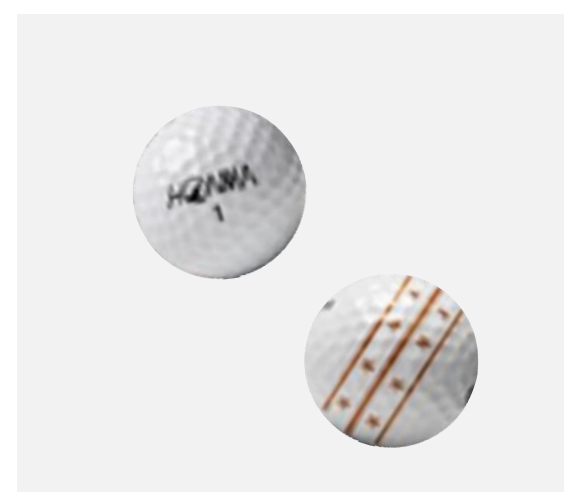


APPARELS

NET SALES +6.1% TO JPY 1,341 MILLION / 8.8 USD MM

GROSS MARGIN +29.1PP TO 57.3%

- sales from mainland China up by **15.9%** in spite of the weak consumer sentiments and reduction in total number of stores.

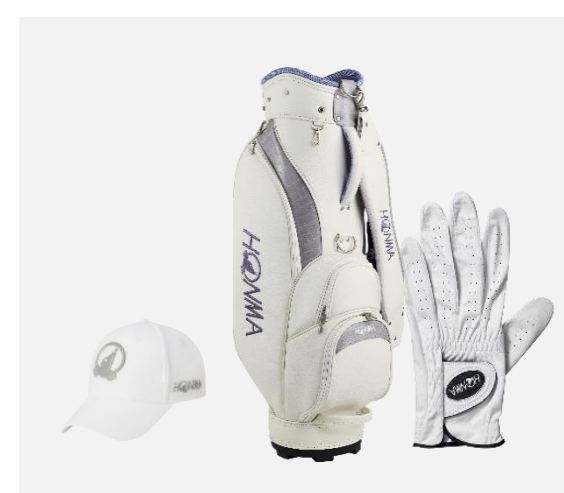


GOLF BALLS

NET SALES -17.1% TO JPY 910.0 MILLION / 6.0 USD MM

GROSS MARGIN -1.2PP TO 27.8%

- sales from Japan came under pressure due to retail price adjustments made to cope with Japanese yen depreciation over the past few years.



ACCESSORIES

NET SALES +8.4% TO JPY 890.1 MILLION / 5.9 USD MM

GROSS MARGIN -15.6PP TO 16.8%

- sales growth primarily attributable to improved product offerings since spring 2024.

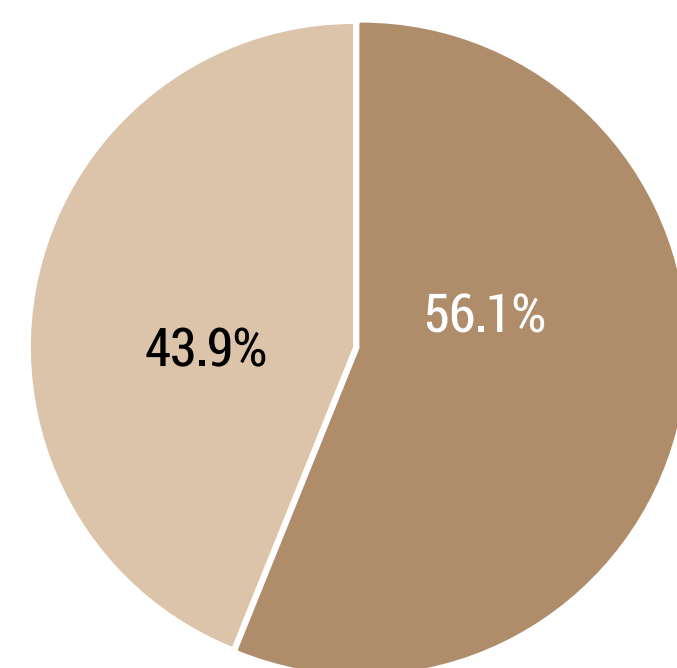
PERFORMANCE OVERVIEW *BY CHANNEL*

IH FY25 NET SALES: JPY 9,815 MM / USD 64.8 MM, -25.6% YOY

- Sales from DTC channels surpassed that of distributors. In the mid-to-long term, DTC channels will remain a key focus for the Group's expansion.

NET SALES MIX BY CHANNEL

%



- DTC Channels
- Distributors

DIRECT-TO-CONSUMER CHANNELS

NET SALES +6.5% TO 5,508 JPY MILLION / 36.4 USD MM

GROSS MARGIN +1.2PP TO 61.9%

93
SELF-OPERATED STORES

- Net -2 locations, newly opened 3
- Sales from Japan +5.4%; sales from Mainland China +13.0%
- Continued optimization of design, merchandising and consumer experience

E-COMMERCE

- Operating in China, Japan and the US;
- Total net sales +8.1%
- Robust sales growth in China +5.8%, Taiwan +288.4%, and Japan +18.9%
- The e-commerce website in Korea is expected to launch by the end of the year

3rd PARTY RETAILERS AND WHOLSALERS

NET SALES -46.3% TO JPY 4,307 MILLION / US 28.4 MM

GROSS MARGIN -5.0PP TO 41.6%

3,665
3RD PARTY POSs

- Sales decrease was primarily due to wholesales revenue decrease in Japan, Korea and China (including Hong Kong and Macau) as a result of economy slowdown and channel reshuffle, esp. Korea with a third-party POSs net decrease by 61.

2024/2025 INTERIM RESULTS

03 BUSINESS HIGHLIGHTS



HONMA GROWTH STRATEGY: “SINGLE BRAND, MULTI-CATEGORIES & ASIA-FOCUSED”

THE GROUP STRATEGICALLY FOCUSES ON THE DEVELOPMENT OF ITS **HOME MARKETS IN ASIA** AND THE MARKETING OF ITS EXQUISITE PRODUCT OFFERINGS TARGETING **SUPER-PREMIUM AND PREMIUM-PERFORMANCE SEGMENTS**.

THE THREE PILLARS OF HONMA’S GROWTH STRATEGY

PRODUCT

GOLF CLUBS

- Combines top-notch **Japanese craftsmanship** with world standard **innovative technologies**
- Strengthened focus on **super-premium** and **premium-performance** segments
- Enriched **premium-performance** products targeting **golfers with 8-20 handicaps**
- Unique product offerings designed for social media savvy **female golfers**

NON-CLUB PRODUCTS

- Steady advancement of **ball and accessory** businesses in premium consumer segments
- Nurturing **apparel** business in the fast growing home markets, catering to the distinctive requirements of golfers, **both on-course and off-course**.

CHANNEL

- Continuously upgrading HONMA’s **retail presence** with primer locations, new retail visual identity, design concept and consumer experience elements
- Further penetration into premium-performance segment by adding **quality retailers and POSs**
- Continue investing into the brand’s **digital ecosystem** and **HONMA’s private sphere**, following fundamental change in consumer behavior and business environment post COVID-19



BRANDING AND CONSUMER ENGAGEMENT

- Re-defining HONMA brand as a **dynamic, relevant and premium golf lifestyle** brand among younger and internet-savvy golfers.
- Offering **360 degree HONMA brand experience** across all consumer touch points both offline and online, pursuing golfers in super-premium and premium-performance segments
- Rejuvenated **TEAM HONMA** with younger and uprising athletes, coaches and influencers to create a unique community culture
- Enhanced **CRM system** to better understand consumers and nurture loyalty
- Focused **marketing and PR activities** across all markets

PRODUCT: EXQUISITE PORTFOLIO COMBINING JAPANESE CRAFTSMANSHIP WITH INNOVATIVE TECHNOLOGY

FOCUSING ON *SUPER-PREMIUM* AND *PREMIUM-PERFORMANCE* CONSUMER SEGMENTS

SUPER-PREMIUM

BERES

BERES 7S
Launched in Nov 2024



BERES 09
Launched in Feb 2024



CATERING TO AFFLUENT GOLFERS

PREMIUM-PERFORMANCE

T// WORLD

TW767
Launched in Nov 2024



TW757
Launched in Mar 2022



*CATERING TO SERIOUS GOLFERS
HANDICAP 0-12*

OTHER CLUB PRODUCTS

PUTTERS, COUNTRY SPECIFIC MODELS,
SPECIAL EDITIONS

FUJI Putters
Launched in Nov 2024



CATERING TO GOLF ENTHUSIASTS

BeZEAL 3
Launched in Feb 2024



*CATERING TO GOLFERS
HANDICAP 20-25*

PRODUCT: EXQUISITE PORTFOLIO COMBINING JAPANESE CRAFTSMANSHIP WITH INNOVATIVE TECHNOLOGY

FOCUSING ON *SUPER-PREMIUM AND PREMIUM-PERFORMANCE CONSUMER SEGMENTS*

- The newly launched BERES 09 and BeZEAL 3 have achieved great success, reconfirming HONMA's strong brand equity, and its ability to withstand economic challenges.
- In 1H FY2025, golf club sales -33.3% to JPY 6,674 million, mainly due to phase out of TW757, and distribution networks reshuffle in Korea.
- Overall club gross margin +1.1 pp to 60.4%, primarily due to continued price management, manufacturing cost improvements and channel optimization.

PRODUCT LAUNCH

BERES



- BERES 7 STAR released in Nov. 2024

TOUR WORLD



- 2-proned product approach designed for avid golfers with single and double handicaps respectively
- Tour World 767 released in Nov. 2024

OTHERS



- Country specific models, special editions and putters
- FUJI putter and new collection of SAKATA LAB PUTTERS released in Nov. 2024

SALES PERFORMANCE

- 64.5% of club sales
- Sales +3.4%, mainly due to the launch of BERES 09. Revenue from BERES golf clubs rose by 18.4% in Japan and by 49.4% in SEA

- 11.2% of club sales
- Sales -22.0% , mainly due to TW757 phase out and distribution optimization in several markets

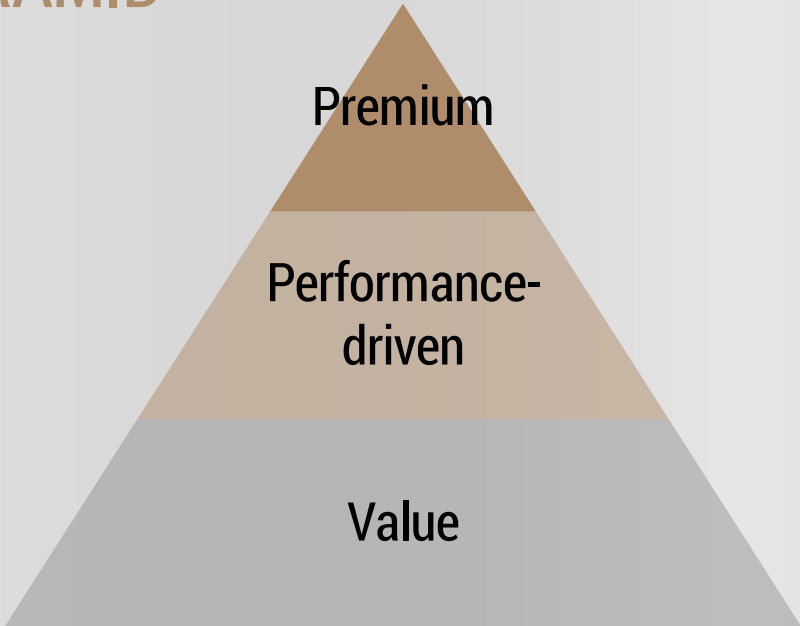
- 24.3% of club sales
- Putters sales +36.8%, sales from BeZEAL 3 rose by 27.4 times
- All-time favorite to consumers who are looking for extinguished and exquisite cosmetics

PRODUCT: CONTINUED PIVOTING SALES GROWTH IN GOLF BALLS

UPWARD RETAIL PRICE ADJUSTMENT TO FURTHER STRENGTHEN BALL'S PRODUCT PYRAMID

- Golf ball sales declined by 17.1% YOY to JPY 910 million; gross margin decreased by 1.2PP to 27.8% following continued currency depreciation and cost pressure.
- Sales from golf ball declined due to upward retail price adjustment, implemented to cope with Japanese Yen depreciation over the last few years. Gross profit margin continued to be under pressure.
- Golf ball sales from Korea + 64.5%, benefitting from distribution adjustment.

PRODUCT PYRAMID



D1, 2-LAYER BALL



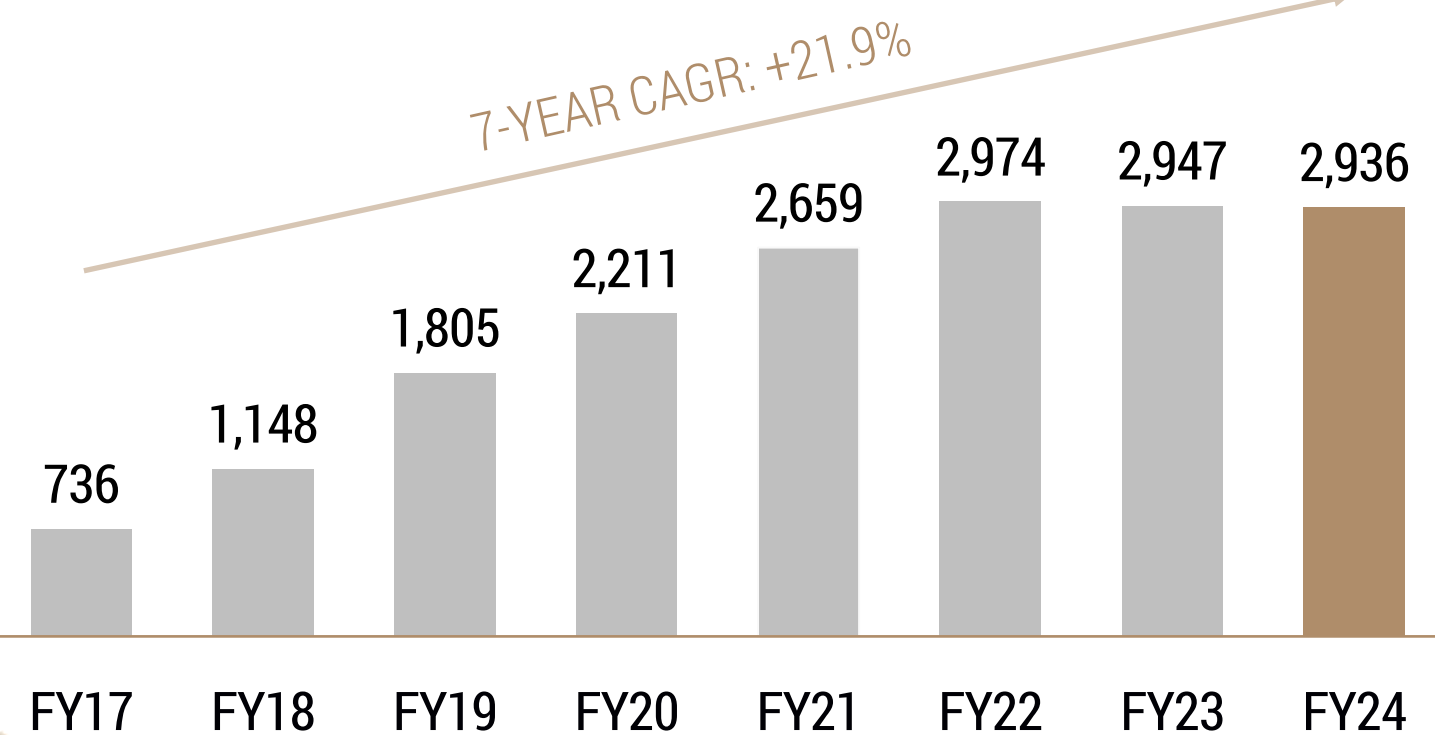
TW-K1, 3-LAYER BALL



BERES 5 STAR, 6-LAYER BALL

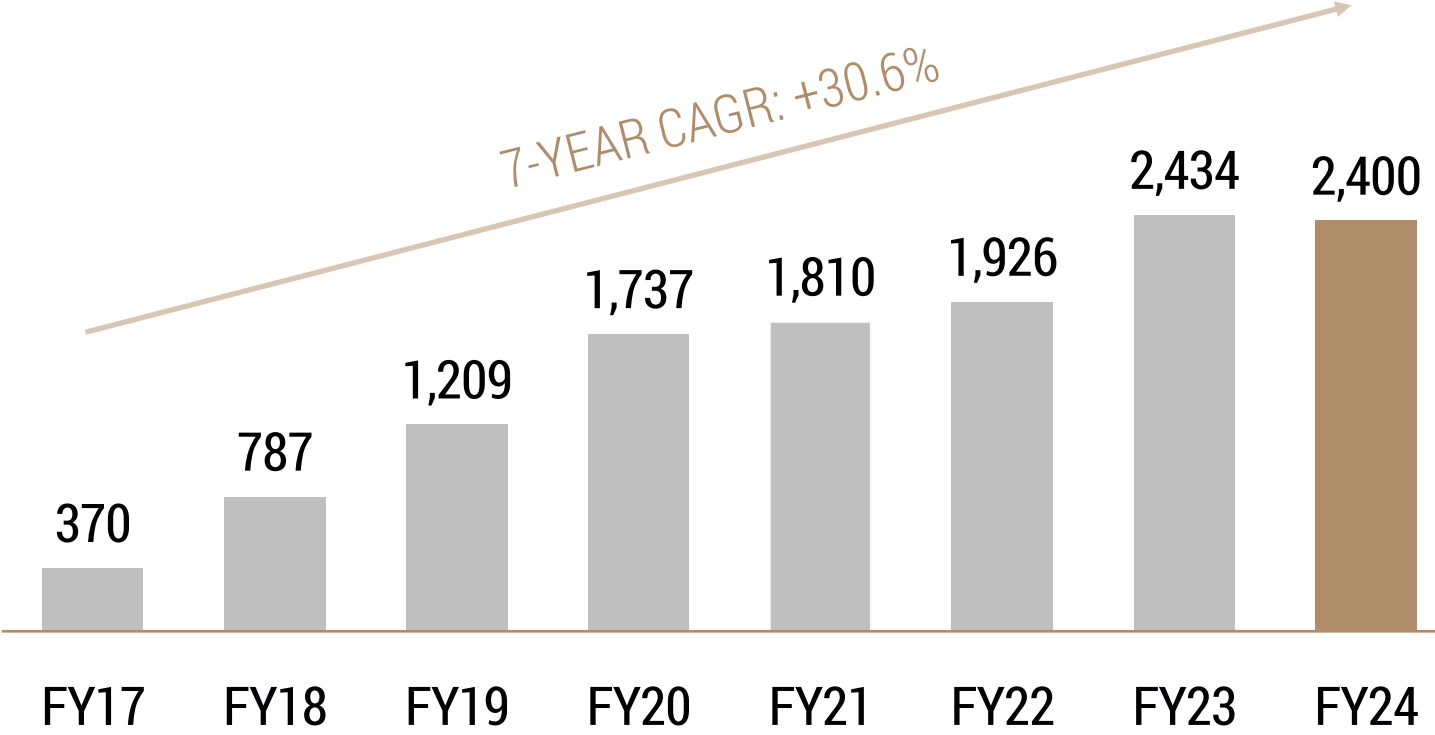
TOTAL GOLF BALL SALES (FULL YEAR)

JPY MM



JAPAN GOLF BALL SALES (FULL YEAR)

JPY MM



PRODUCT: NURTURING APPAREL BUSINESS TO BUILD A LEADING GOLF LIFESTYLE BRAND

APPAREL COLLECTION CATERING TO GOLFERS 'ON-COURSE AND OFF-COURSE REQUIREMENTS

APPAREL SALES +6.1% YOY TO JPY 1,341 MILLION, GROSS MARGIN +29.1 pp TO 57.2%

- Sales from mainland China +15.9%; sales from SEA +186.1%, mainly due to entry into Indonesia and Malaysia
- products catering to the distinctive requirements of golfers and outdoor enthusiasts in Asia, both **on-course** and **off-course**
- **Quality retail footprints** with optimized store operation, merchandise planning and upgraded display
- Continued investment into **digital marketing** and **E-commerce capabilities** on the back of one digital eco-system

HONMA

PROFESSIONAL GOLF LINE

Tour-inspired professional golf wear featuring high-tech functional fabrics and 3D synchronized cutting



CHANNEL: 360-DEGREE BRAND EXPERIENCE BUILT INTO NEW RETAIL SPACE AND ENVIRONMENTS

DIRECT-TO-CONSUMER RETAIL CHANNELS

ACT AS BRAND EXPERIENCE HUBS ACROSS ALL MARKETS

- Sales from self-owned channels +6.5% to JPY 5,508 million
- Retail sales from Japan +5.4%; sales from mainland China +13.0%
- 93 self-owned stores, net decrease by 2; newly opened 3, all of which are in Asia



THIRD-PARTY RETAILERS AND WHOLESALERS

FOCUS ON A SMALLER BUT PREMIER GROUP OF ACCOUNTS AND CONTINUED TO DRIVE PENETRATION

- Sales from third-party -46.3%
- Number of POSs decreased by a net amount of 48 to 3,665, esp. in Korea, with a third-party POSs net decrease by 61.
- Sales decline was primarily due to continued distribution footprint optimization in Japan and China as well as the review of the group's channel strategy in Korea.



CHANNEL: FURTHER EXPANDING DIGITAL ECO-SYSTEM AND PRIVATE SPHERE TO BOOST CONSUMER LOYALTY FUELED BY UP-TO-DATE CONTENT MARKETING ON SOCIAL MEDIA AND CRM PLATFORMS

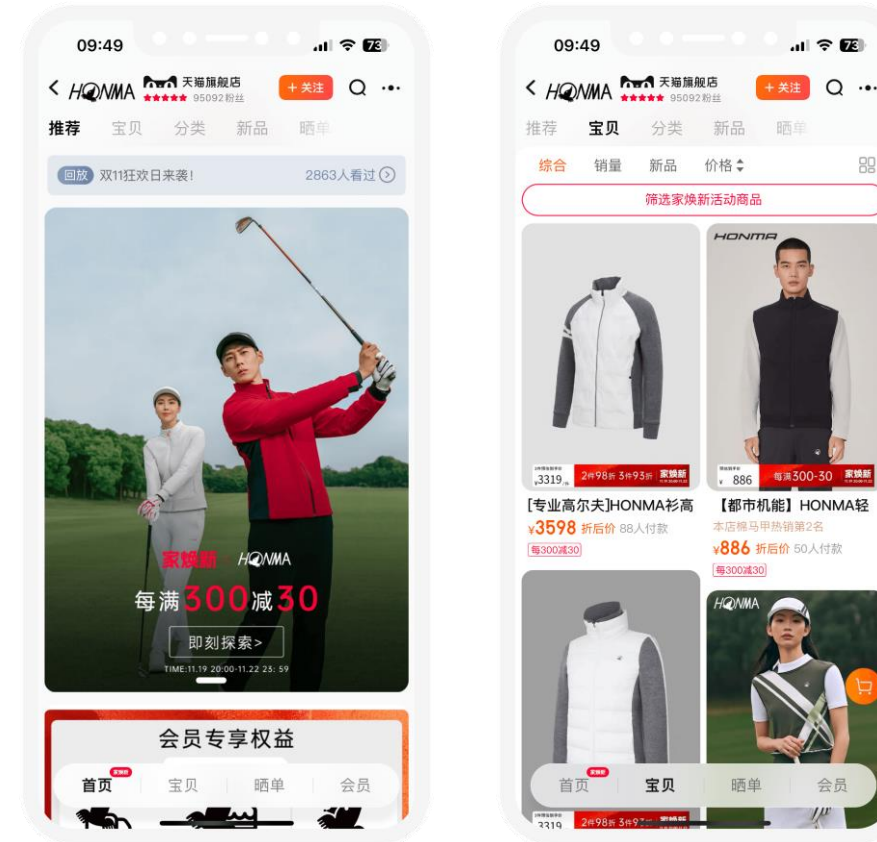
E-COMMERCE SALES GREW BY 8.1%

JAPAN +18.9%, CHINA +5.8%, TAIWAN +288.4%

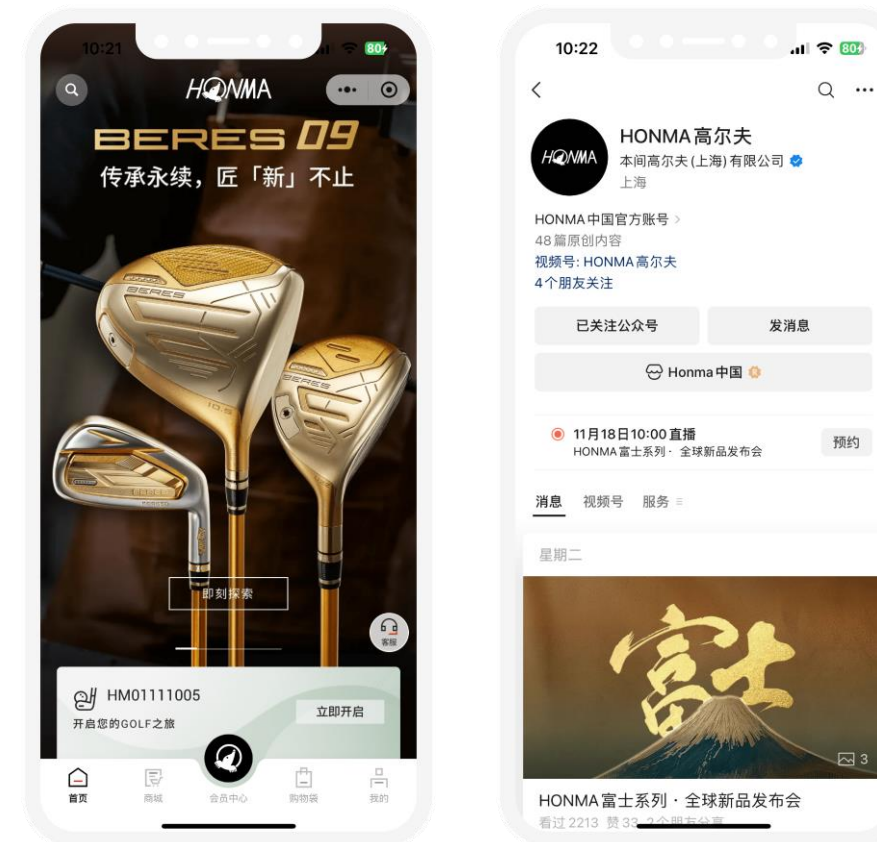
DRIVEN BY ACCELERATED INVESTMENT IN DIGITAL MARKETING WITH A FULL-CHANNEL APPROACH

- E-commerce platforms in major markets
 - China: Tmall, JD, Wechat Store, Douyin, and DU, newly opened the RED
 - Japan & US: self-operated E-commerce site
- Actively pursuing an E-commerce growth strategy on open and private platforms
 - Dedicated E-commerce team and marketing resources
 - Social media campaigns generating traffic to online stores
 - Search engine optimization and in store visual updates
 - Full channel CRM system to upgrade loyalty program and improve consumer experiences
 - Livestream sales campaign to attract internet-savvy consumers in China

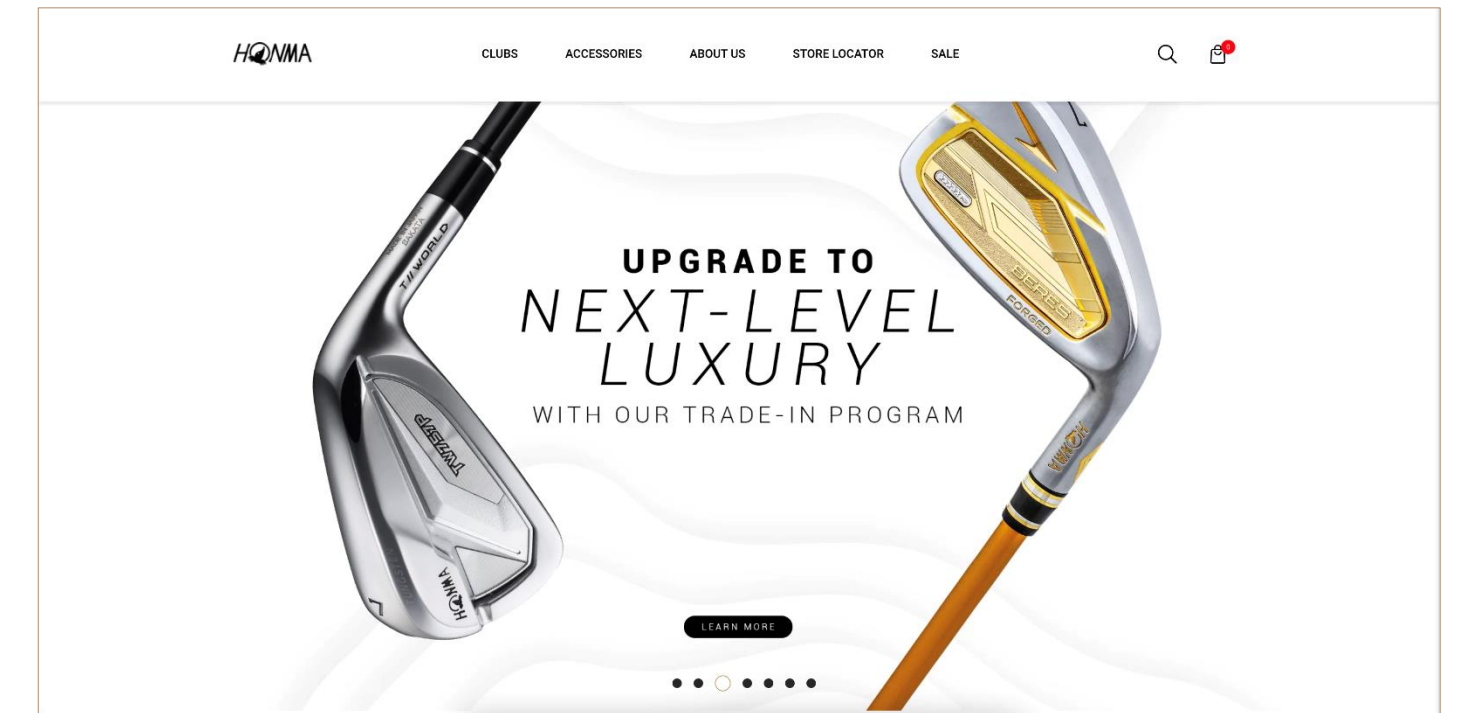
T-MALL FLAGSHIP STORE



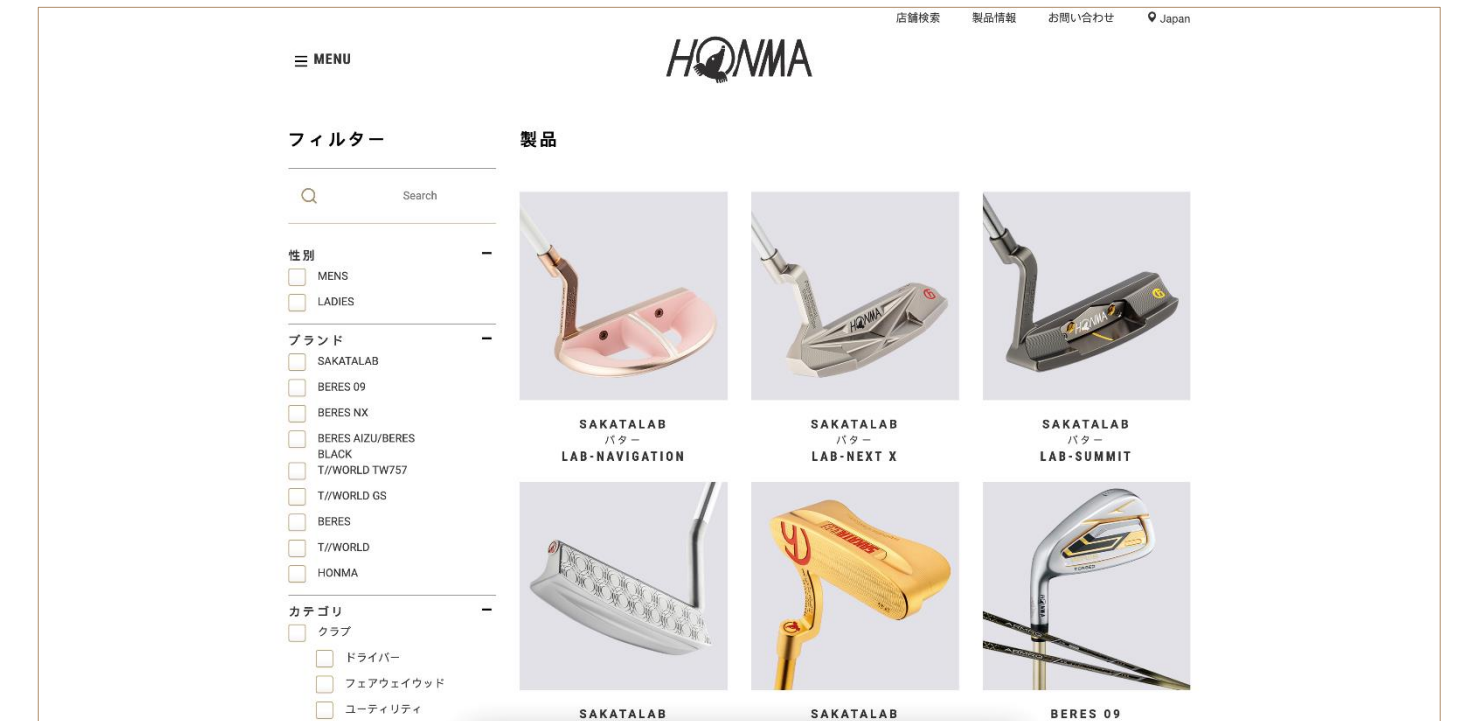
WECHAT OFFICIAL ACCOUNT & STORE



US E-COMMERCE SITE



JAPAN E-COMMERCE SITE

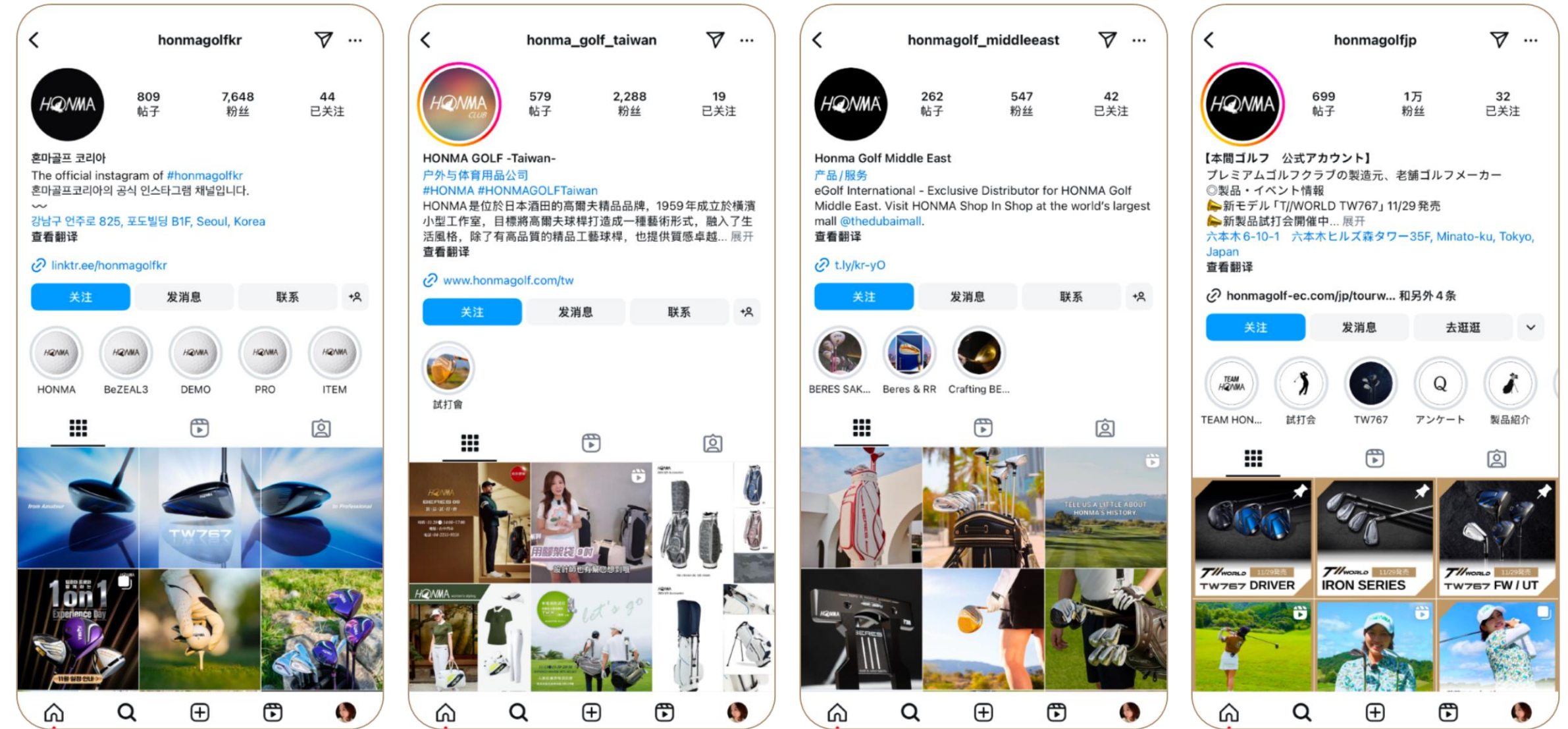


MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

DIGITALIZED CONTENT MARKETING THROUGH RELAUNCHED GLOBAL WEBSITE & SOCIAL MEDIA PLATFORMS RELEVANT TO EACH MARKET

- Frequently updating digital marketing content on HONMA's global website as well as social platforms, such as Instagram, Facebook, Wechat, Weibo, etc
- Content collaboration with pros, influencers and celebrities on various digital platforms
 - To convey **consistent brand image** and enhance brand awareness across all markets
 - To recruit and engage with **younger and internet-savvy consumer**
 - To **generate traffic** from digital platform to offline retail stores
 - To own the entire **consumer experience** and data



MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

CUSTOMER EVENTS

1,910 EVENTS, 31,807 PARTICIPANTS

NO. OF EVENTS +8.7%, NO. OF PARTICIPANTS PER EVENT +25.6%

- Customer events are important customer touch points for HONMA
- These events were mainly held on **golf courses** with dedicated fitters
- Brand experience integrating and retail activities targeting consumers in **super-premium** and **premium-performance** segments
- Key to the continued enhancement of HONMA's brand and product awareness and consumer engagements



CUSTOMER
EVENTS

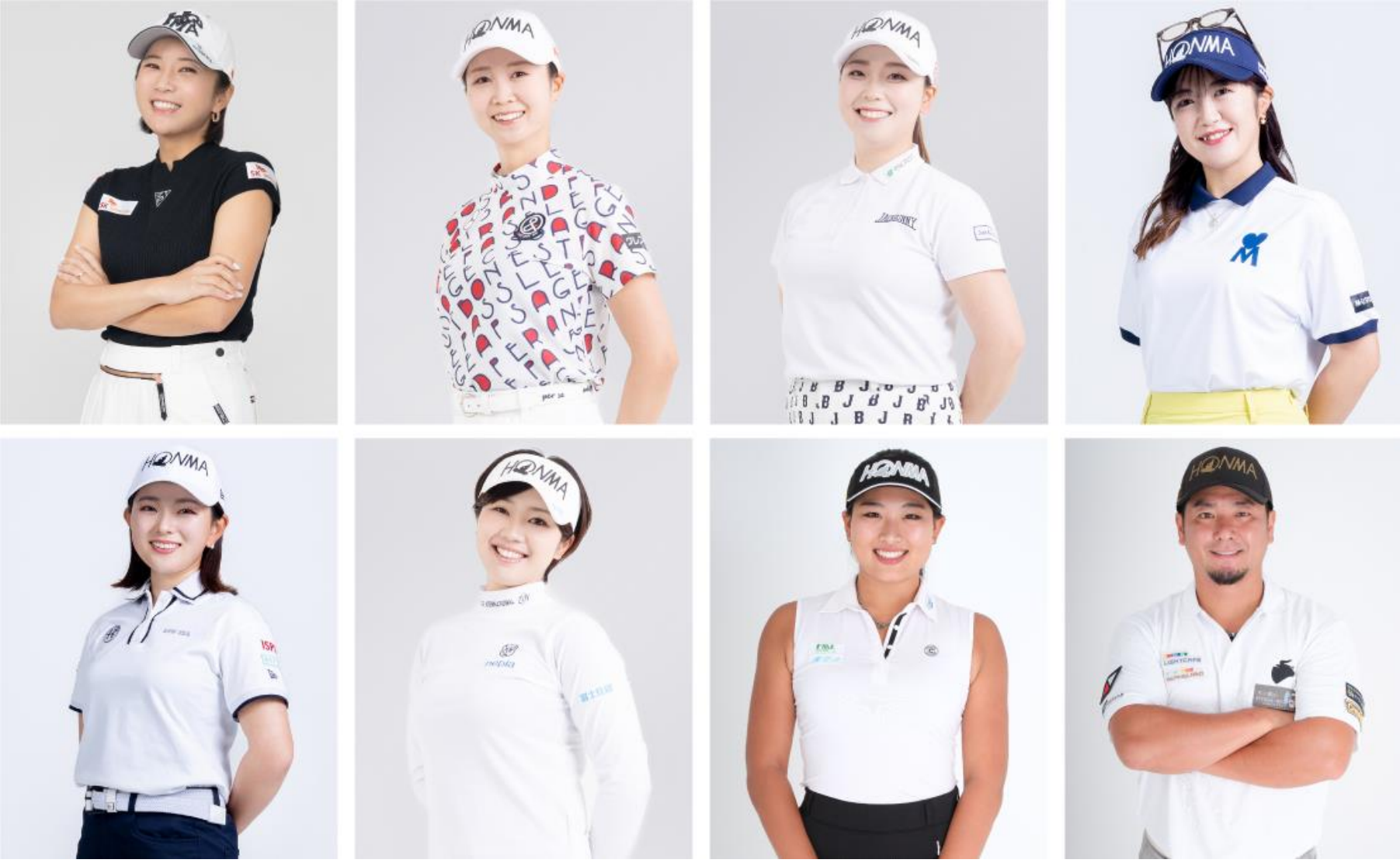


MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

SPONSORING 8 PROFESSIONAL PLAYERS PLUS A WIDE NETWORK OF HONMA BRAND AMBASSADORS AND COACHES

- Renewed endorsement strategy to recruit **younger and uprising** athletes in Asia with visible social media followings, so as to address and engage with the **performance-driven audience**, especially younger and avid golfers amid the promising trend of golf development in Asia



TEAM HONMA



TEAM HONMA IN MARKETING AND CUSTOMER ACTIVITIES

MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

OTHER BRAND PR & MEDIA EXPOSURE

- Actively reinforcing HONMA's brand image through continued media exposure and collaboration with brand ambassadors and social celebrities.

2024/2025 INTERIM RESULTS

MEDIA EXPOSURE

NEW WAVE
HONMA의 새로운 도전, 새로운 시작, 새로운 시작을 위한 새로운 시작.

비료불가
비료 없이도 최고의 성능을 발휘하는 HONMA의 새로운 시작.

Timeless Dignity
HONMA의 새로운 시작, 새로운 시작을 위한 새로운 시작.

HONMA BERES09
HONMA의 새로운 시작, 새로운 시작을 위한 새로운 시작.

Masterpiece on the field
HONMA의 새로운 시작, 새로운 시작을 위한 새로운 시작.

PAN-WEST
We serve you GOLF, all round
BERES 09 / NEW LAUNCH
WANT TO TRANSFORM YOUR IRON GAME? TRY BERES 09
Want to Transform Your Iron Game? Try BERES 09 As you shop the market for a new set of irons, keep several things in mind. Ideally you want to stand...
0 COMMENTS
AUGUST 13, 2024

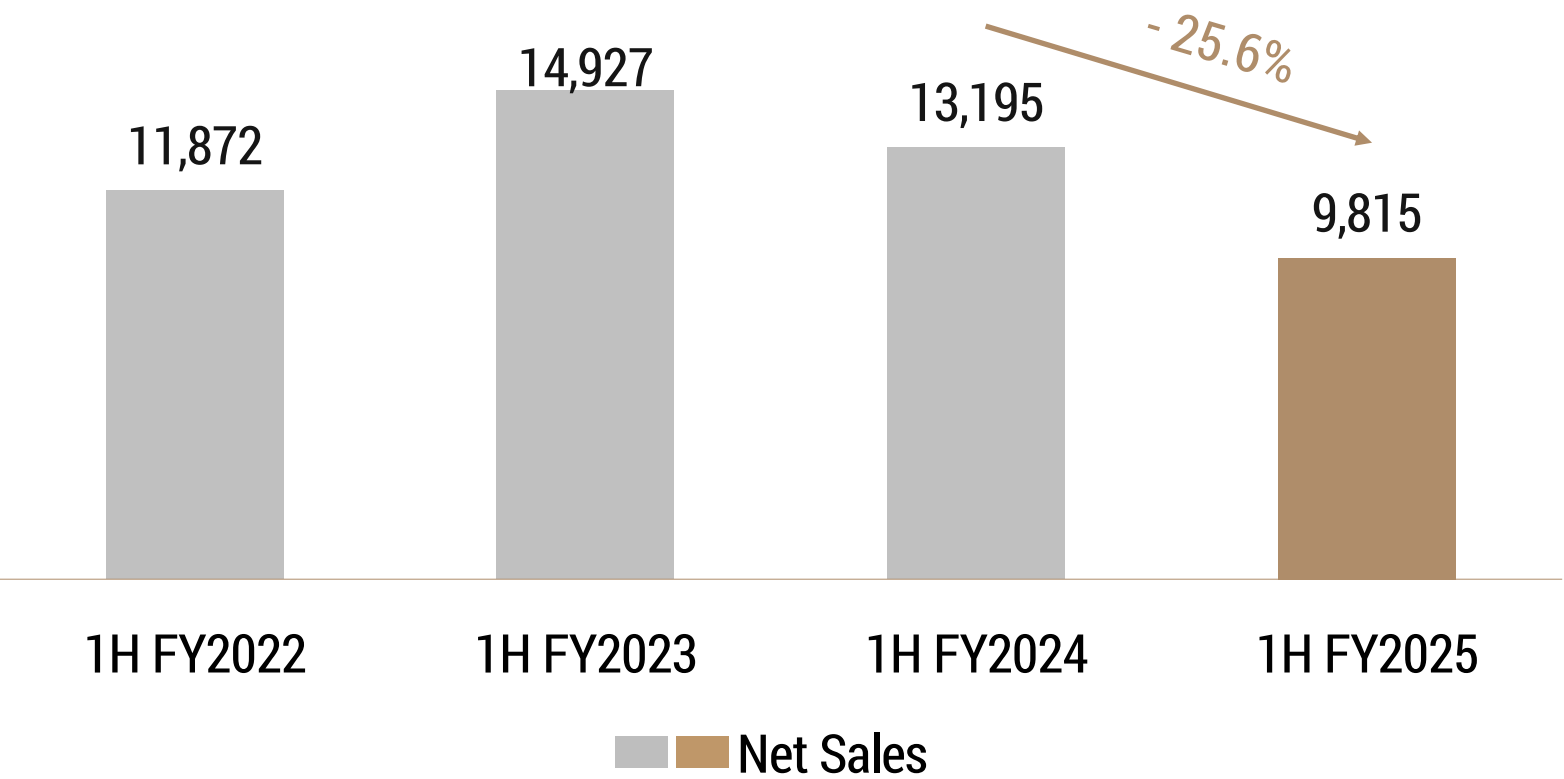
BERES 09 / HONMA / NEW LAUNCH
BERES 09 FAIRWAY WOODS AND HYBRIDS DELIVER DISTANCE AND MORE SCORING OPPORTUNITIES
You need versatility at the long end of your set because you're going to face unexpected types of lies on the golf course and shots that require different types of...
0 COMMENTS
AUGUST 13, 2024

04 FINANCIAL REVIEW

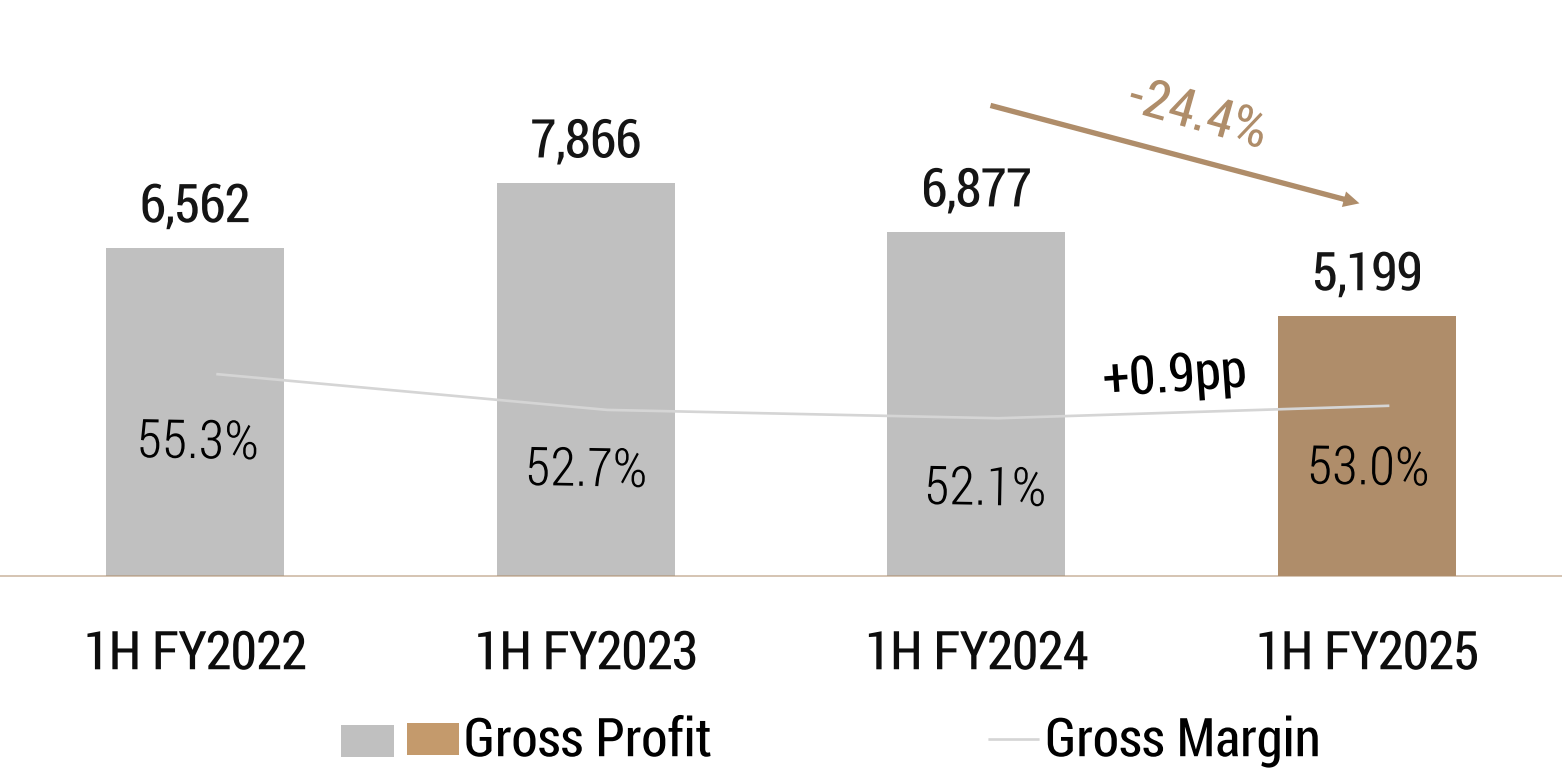


SHORT-TERM SALES FLUCTUATIONS BROUGHT BY DISTRIBUTIONS RESHUFFLE IN MAIN MARKETS

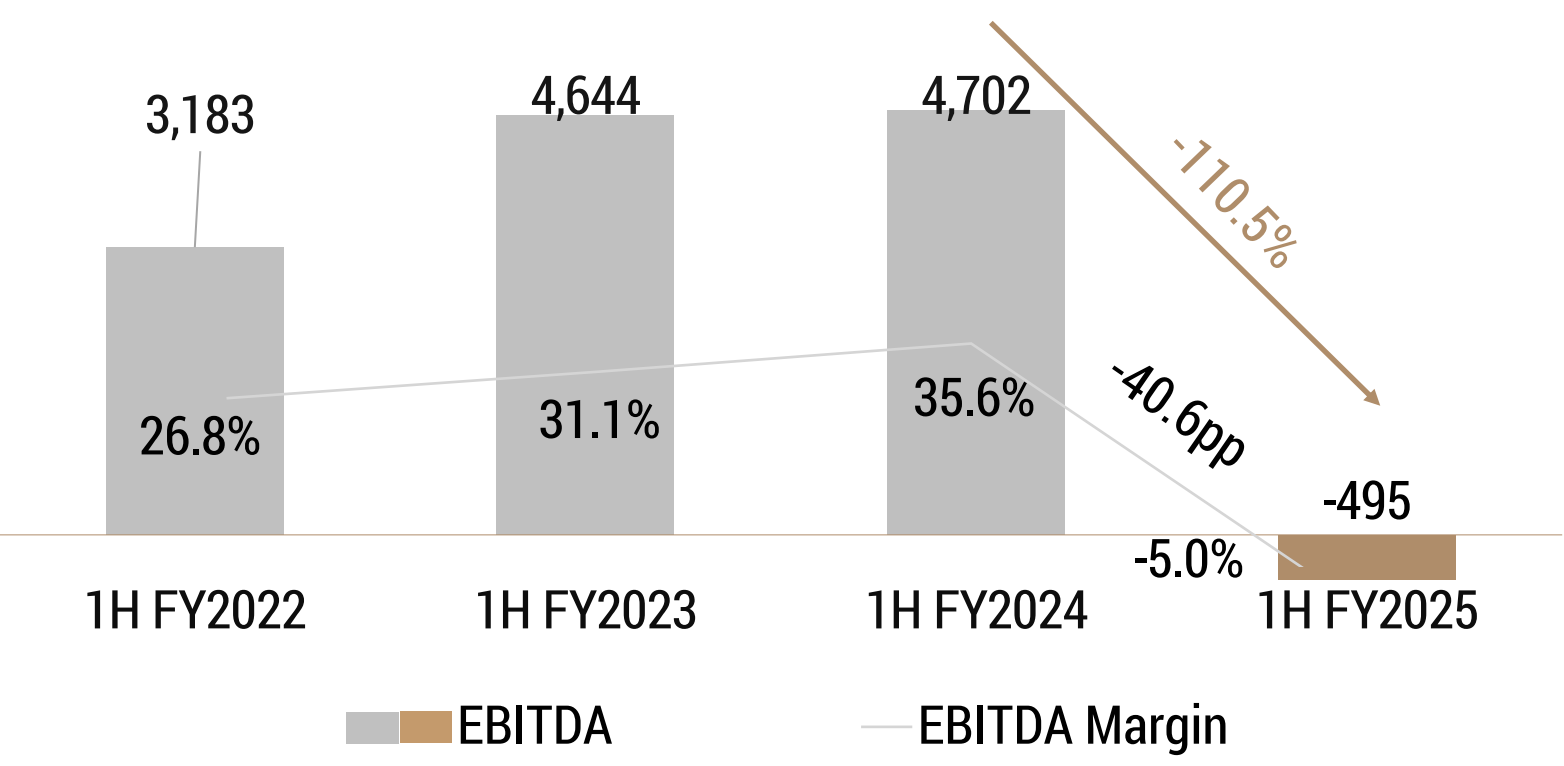
NET SALES
JPY MM



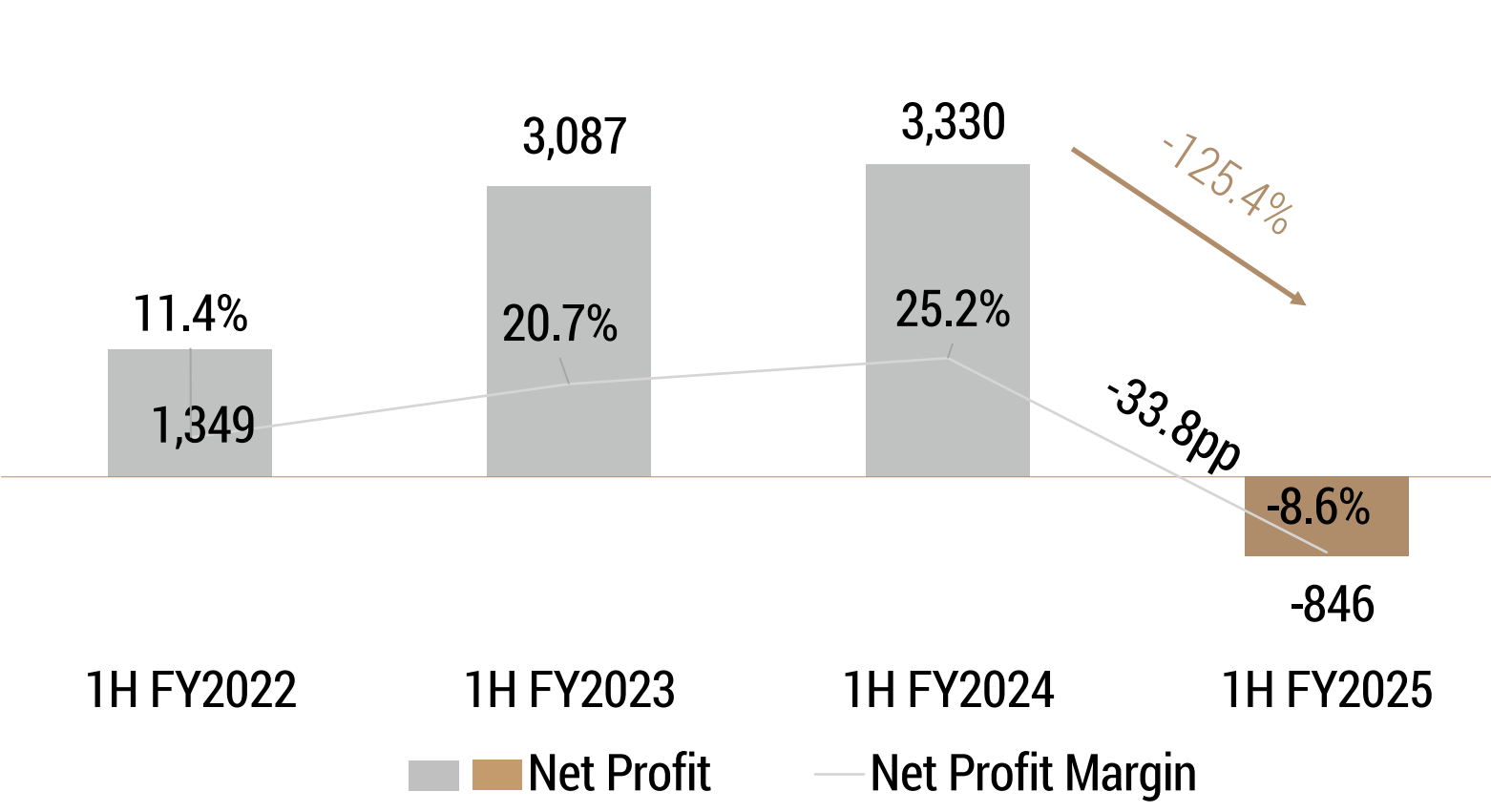
GROSS PROFIT & GROSS MARGIN
JPY MM



EBITDA
JPY MM



NET PROFIT
JPY MM



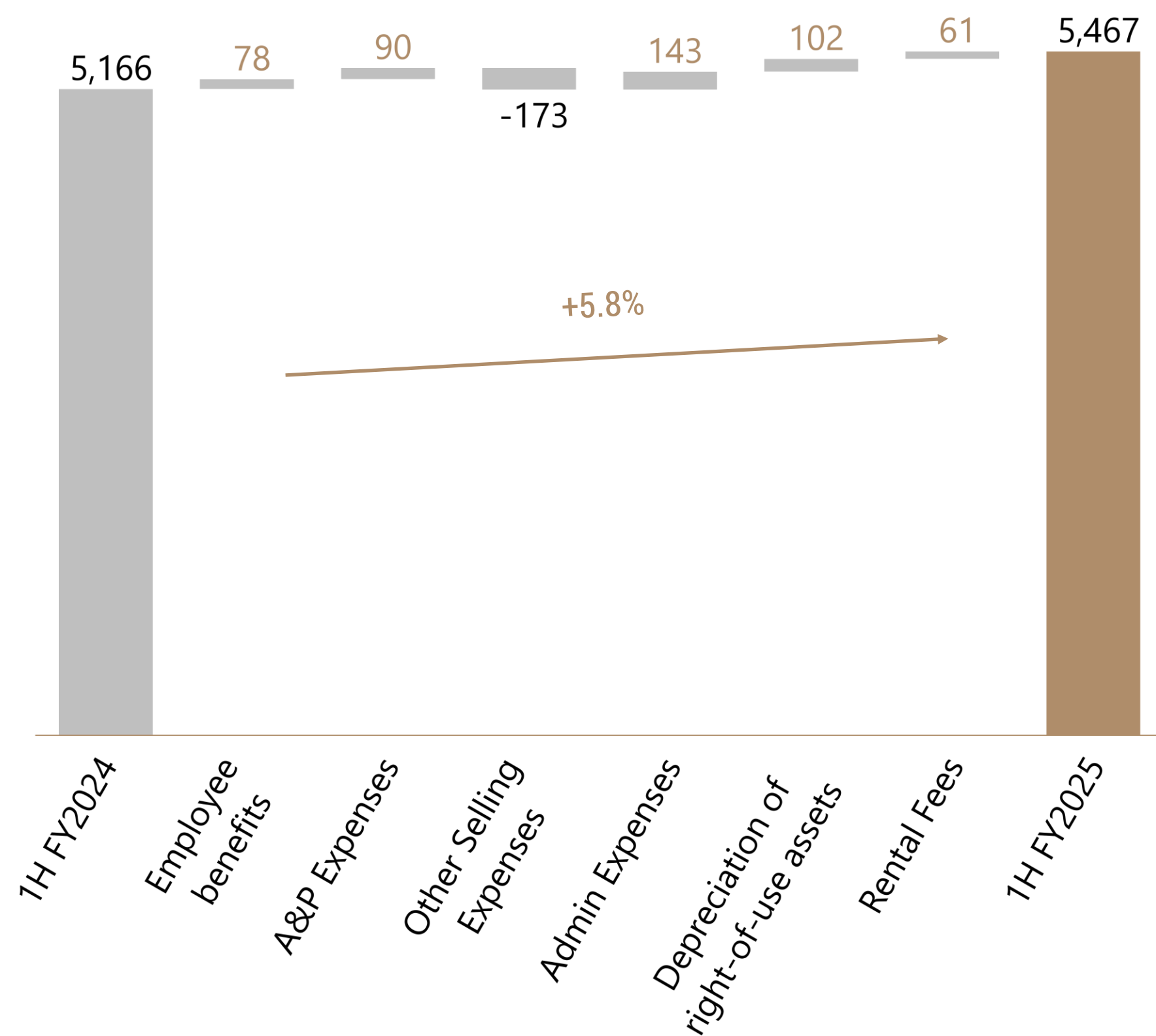
2024/2025 INTERIM RESULTS

CONTINUED OPEX OPTIMIZATION TO RESOURCE TO WIN

TO ENHANCE AS WELL AS TO MITIGATE NEGATIVE IMPACT FROM GLOBAL ECONOMIC UNCERTAINTY

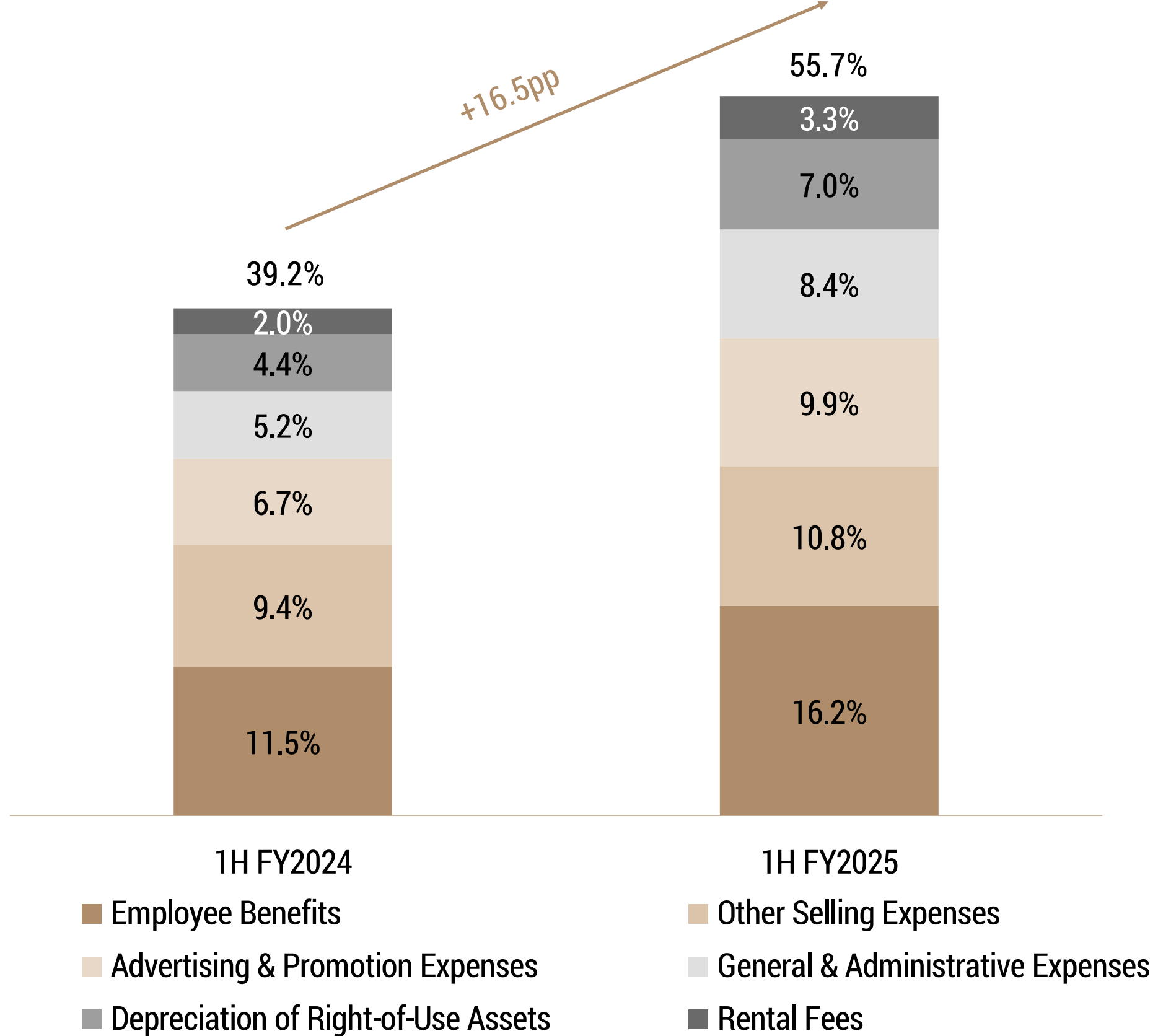
SG&A EXPENSES BRIDGE

JPY MM



SG&A EXPENSES BREAKDOWN

AS % OF SALES

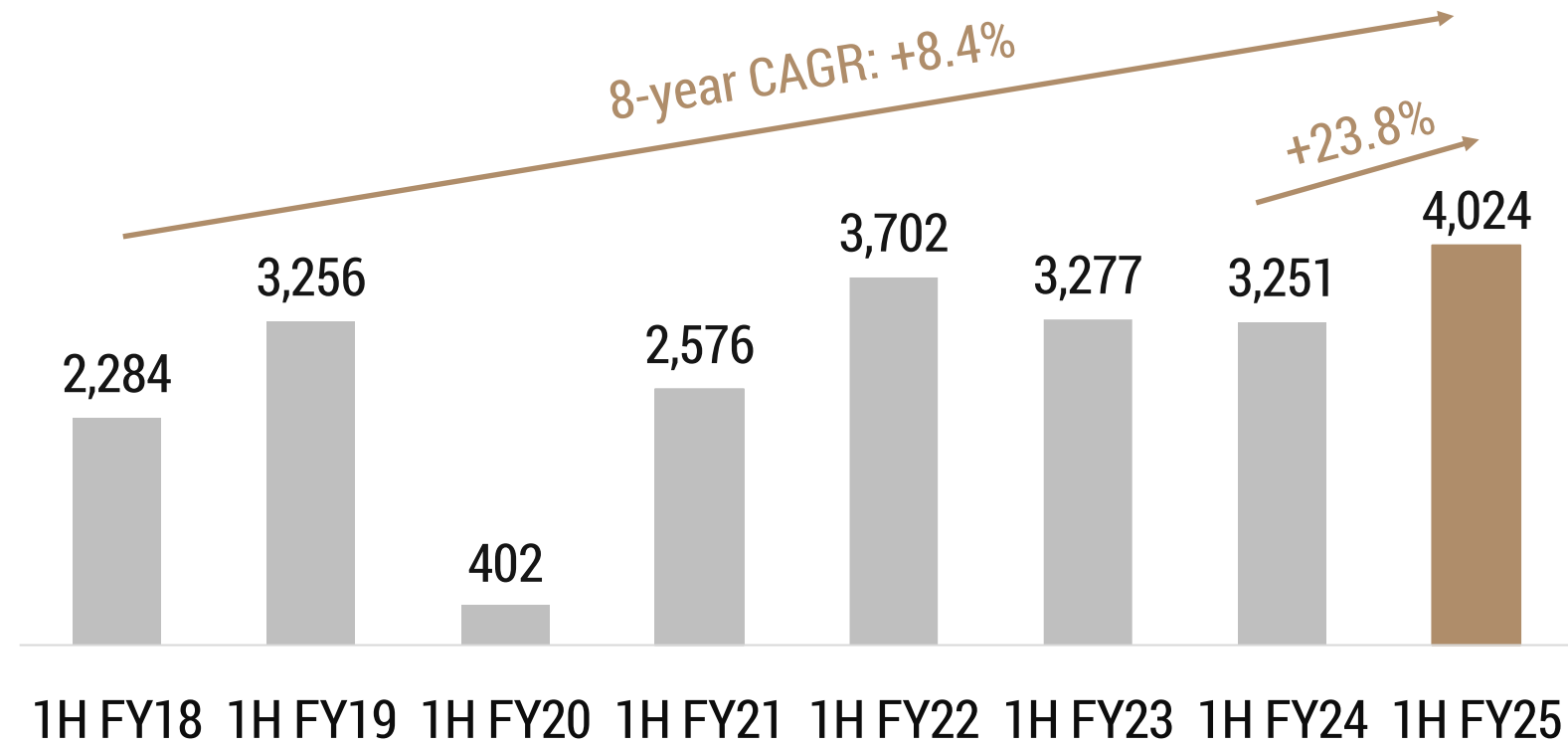


2024/2025 INTERIM RESULTS

HEALTHY BALANCE SHEET AND STRONG OPERATING CASHFLOW

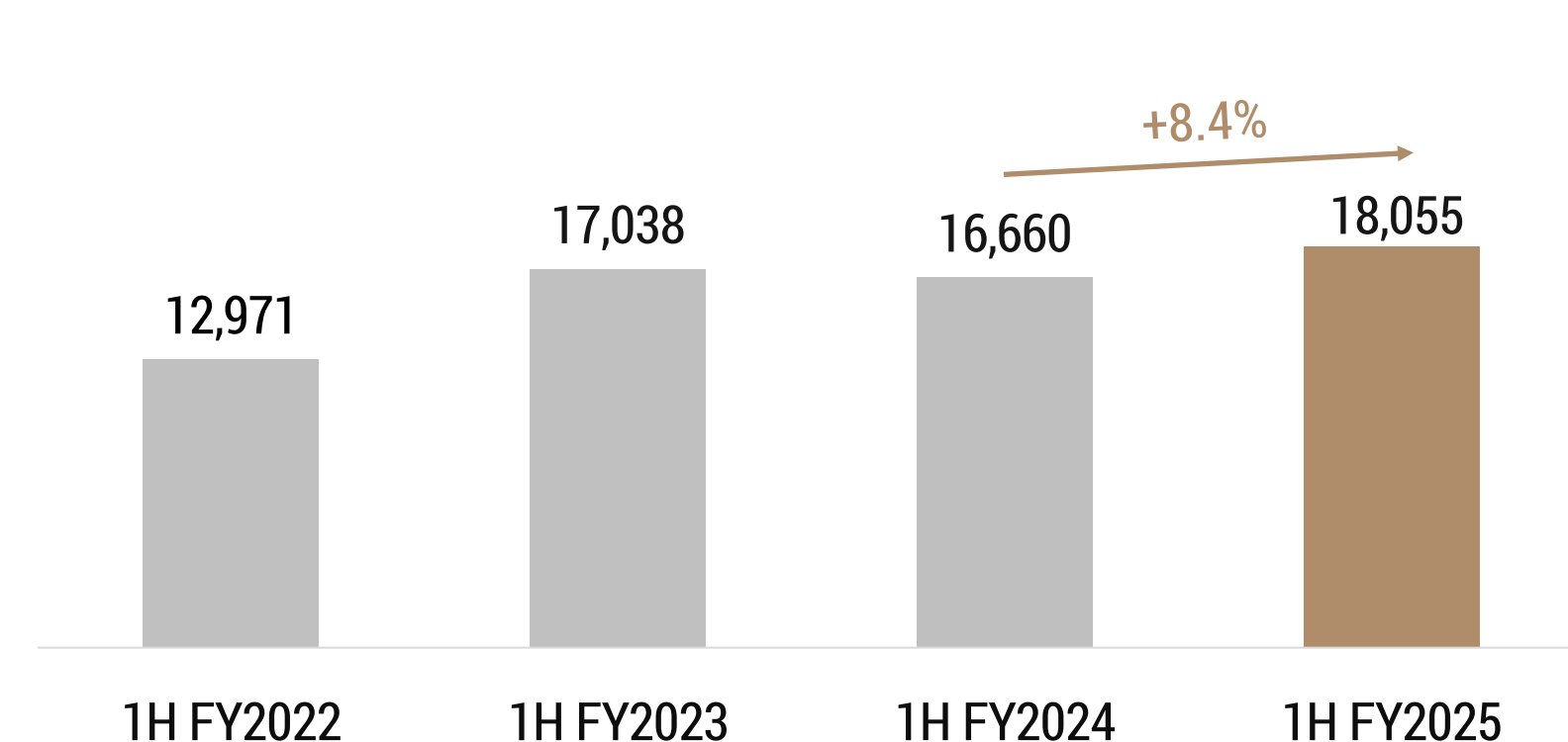
NET OPERATING CASH FLOW

JPY MM



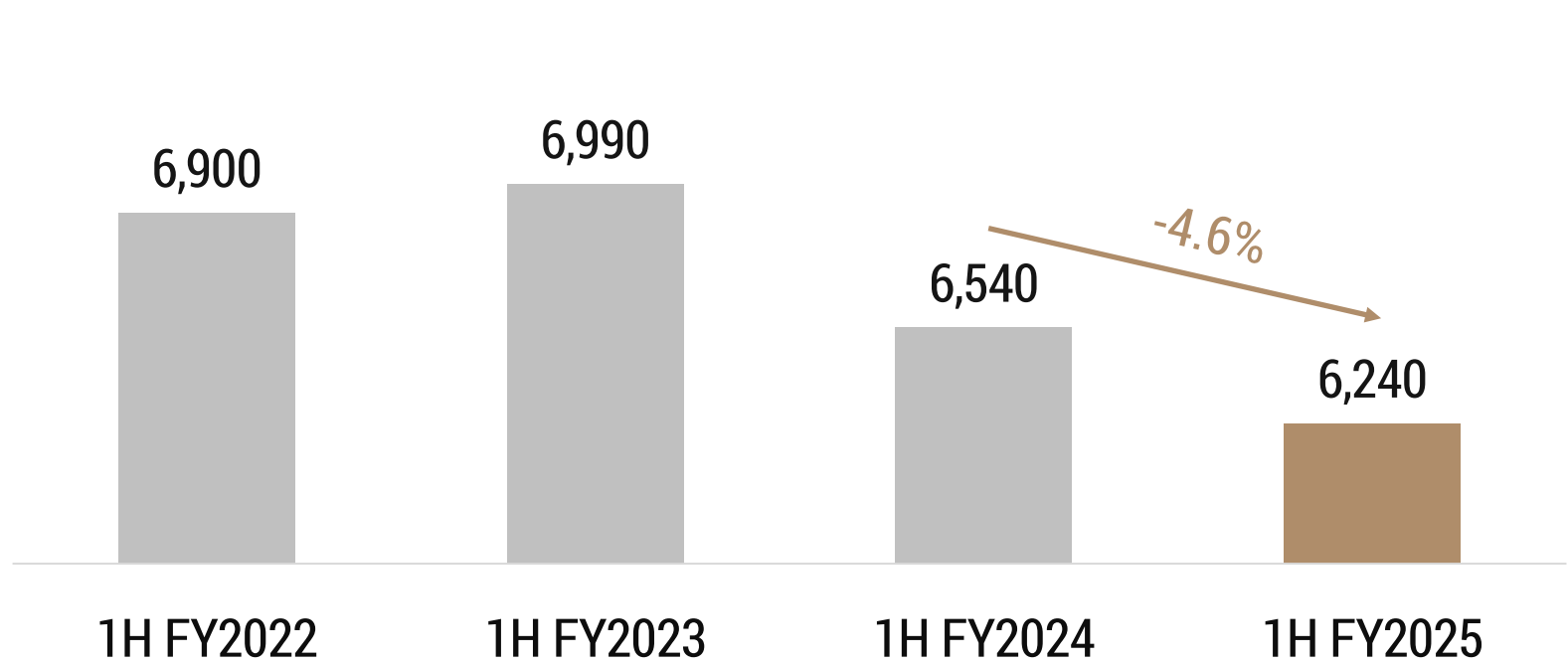
CASH and CASH EQUIVALENTS

JPY MM



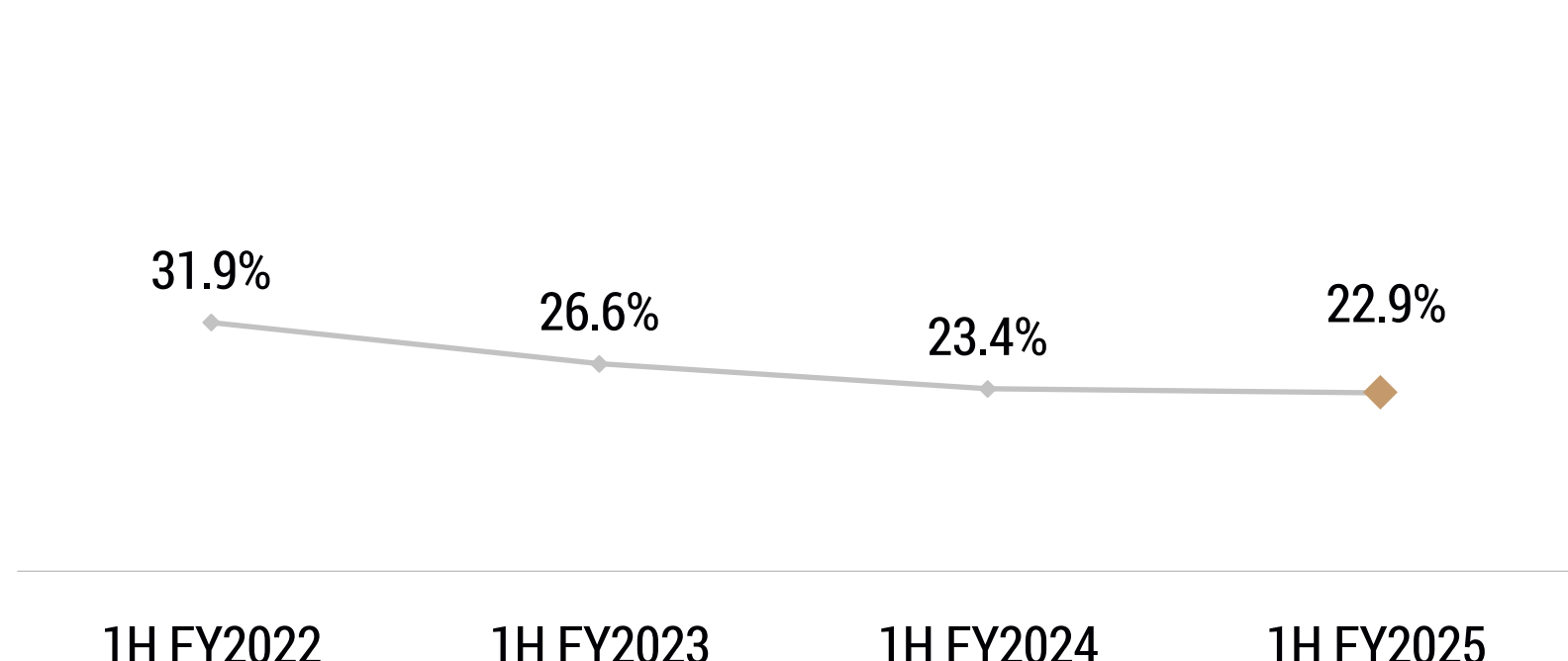
INTEREST-BEARING LIABILITIES

JPY MM



INTEREST-BEARING LIABILITIES / TOTAL EQUITY

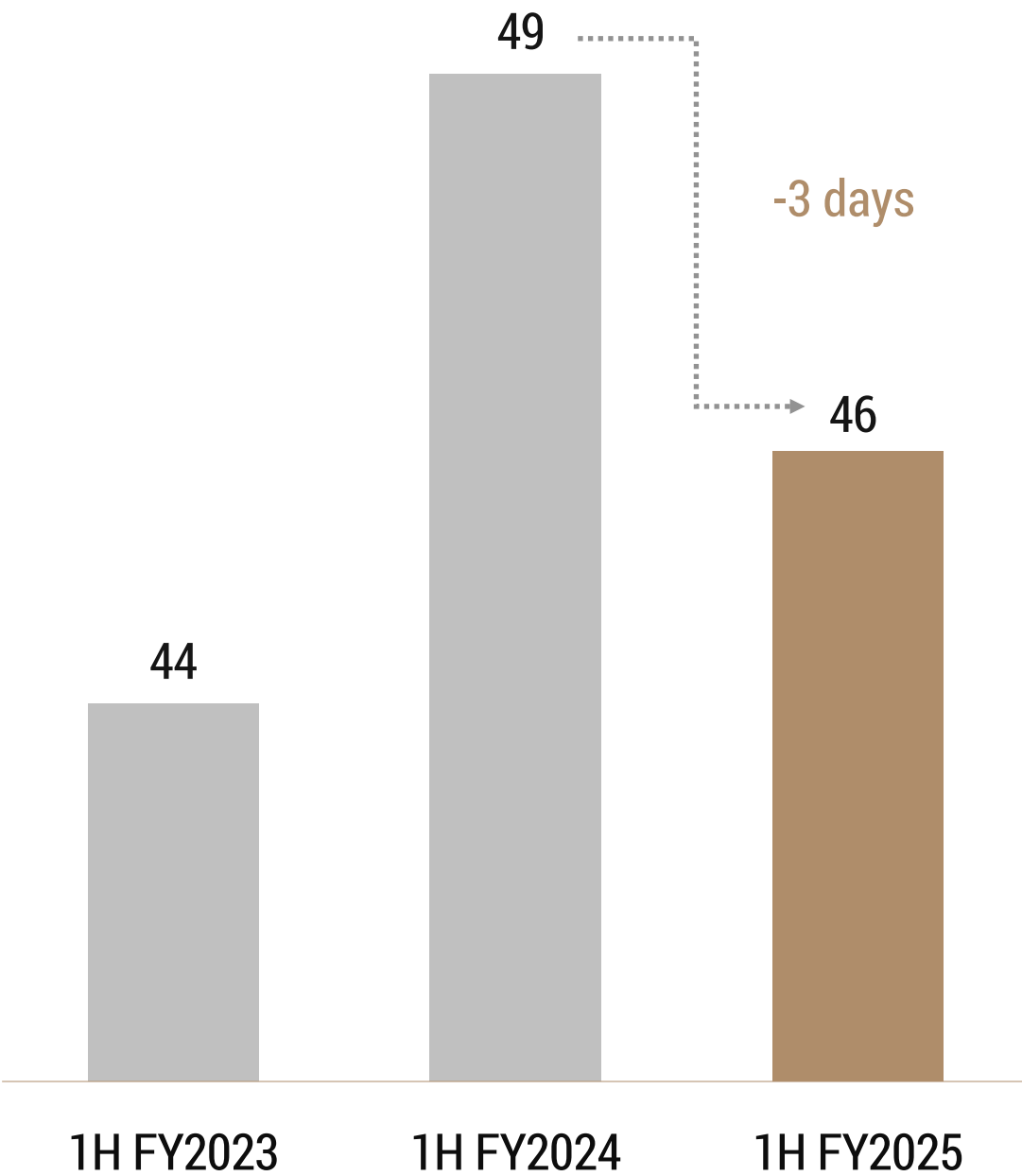
%



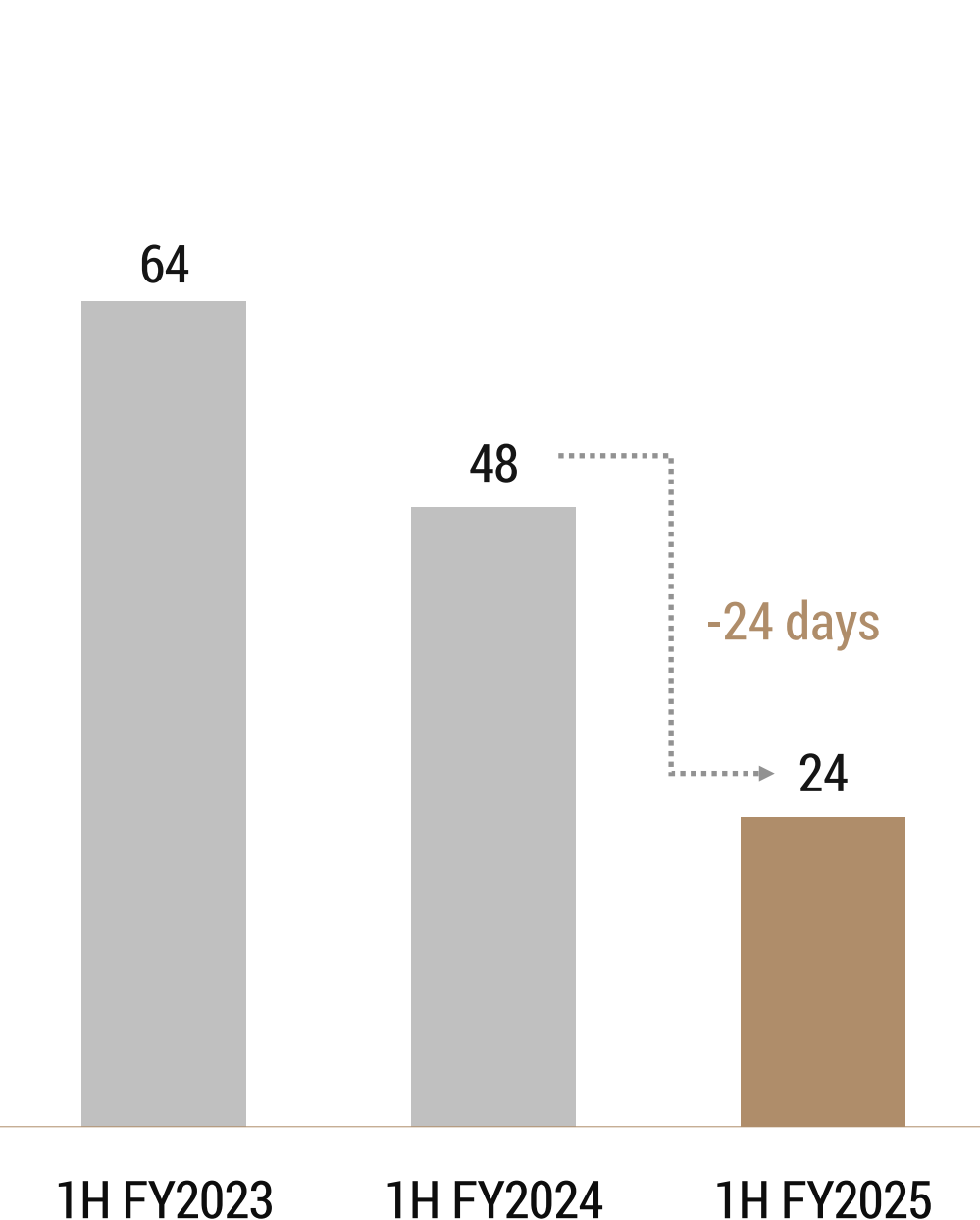
CONTINUOUSLY IMPROVING WORKING CAPITAL EFFICIENCY

2024/2025 INTERIM RESULTS

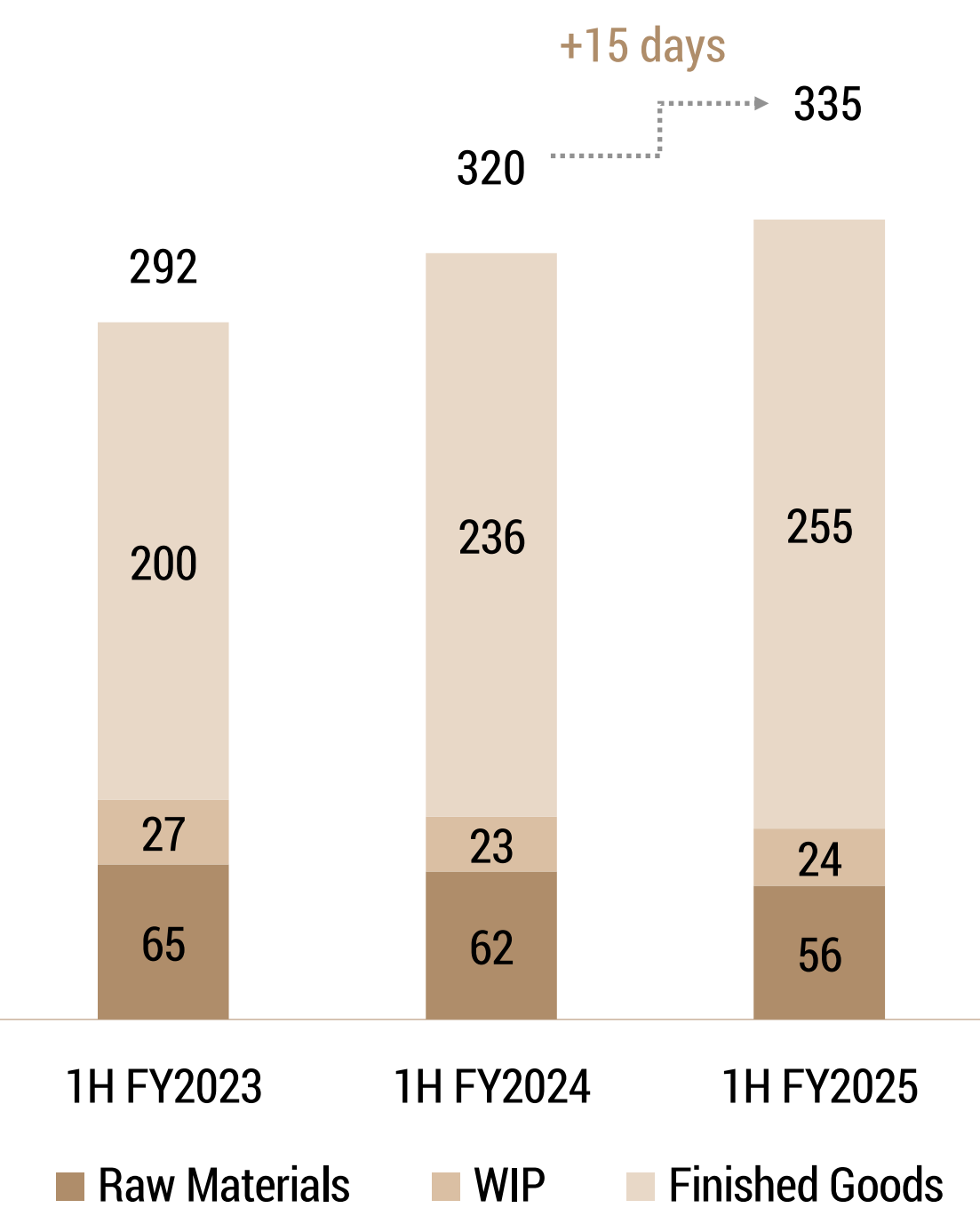
RECEIVABLES TURNOVER DAYS ⁽¹⁾
DAYS



PAYABLES TURNOVER DAYS ⁽¹⁾
DAYS



INVENTORY TURNOVER DAYS ⁽¹⁾
DAYS



Note

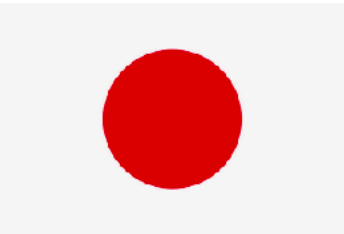
(1) Turnover days are calculated using the average of the opening and closing balance of the relevant periods

05 APPENDIX



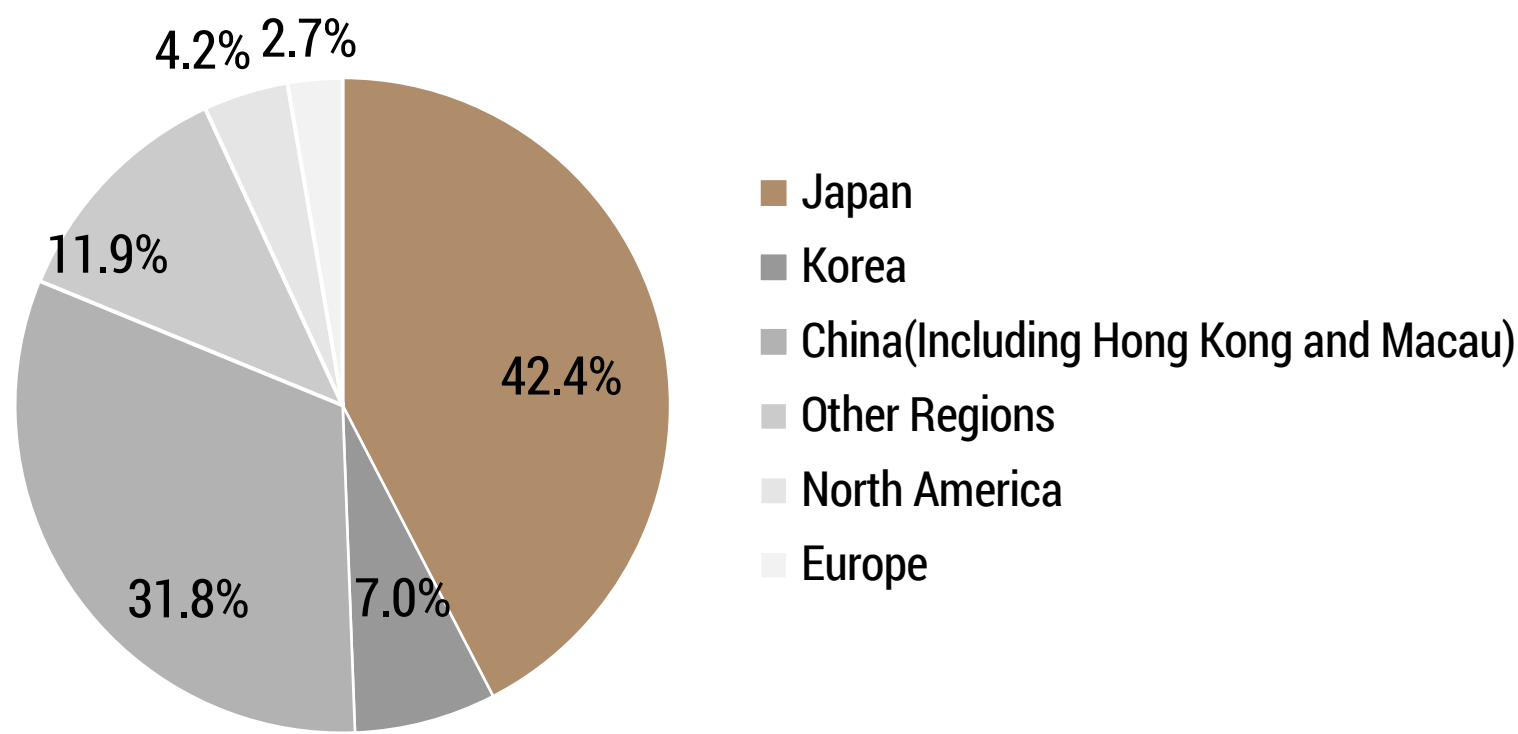
BUSINESS REVIEW BY MARKET

HOME MARKET JAPAN

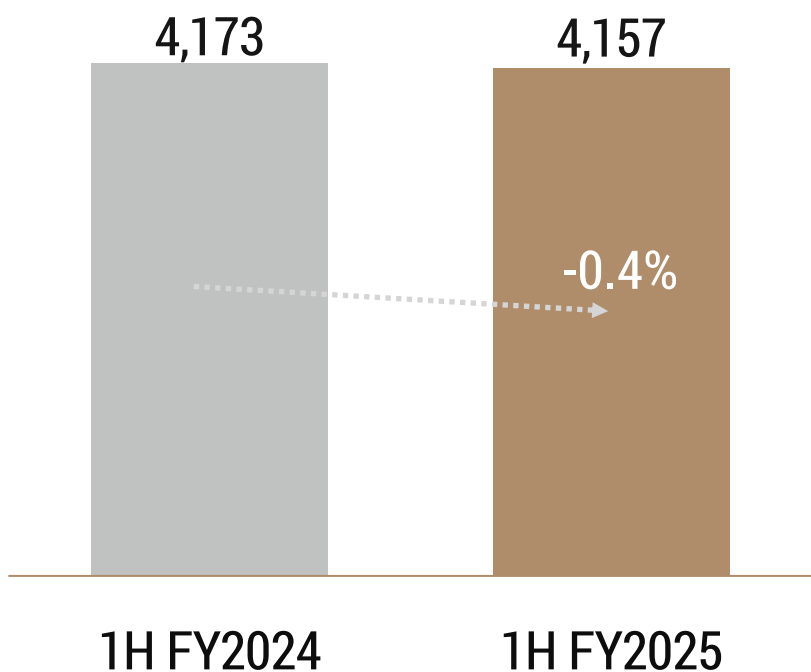


STEADY AND QUALITY GROWTH IN MULTIPLE PRODUCT CATEGORIES FOLLOWING FURTHER MARKET REOPENING

% of Total Sales



NET SALES
JPY MM



MARKET

- 2nd largest golf equipment market in the world
- Total golf product market size approximates to USD 1.7 billion in 2021 ⁽¹⁾
- 2,200 golf facilities, representing half of the total facilities in Asia ⁽¹⁾
- In 2022, 8.1 million 9 & 18 hole golfers (know as on-course golf players), around 6.4% of total population in Japan ⁽²⁾

1H FY25 PERFORMANCE HIGHLIGHT

NET SALES -0.4% GROSS PROFIT MARGIN +6.7PP

- Golf club sales +8.1% , with sales of BERES +18.4% and putters +59.6%, benefitting from new products launch.
- Sales from self-operated stores +5.4%, with gross profit margin +10.2PP.

Note

(1) Source: 2021 Yano's White Paper on Golf Industry, Japan
 (2) Source: The R&A Global Golf Participation Report 2023

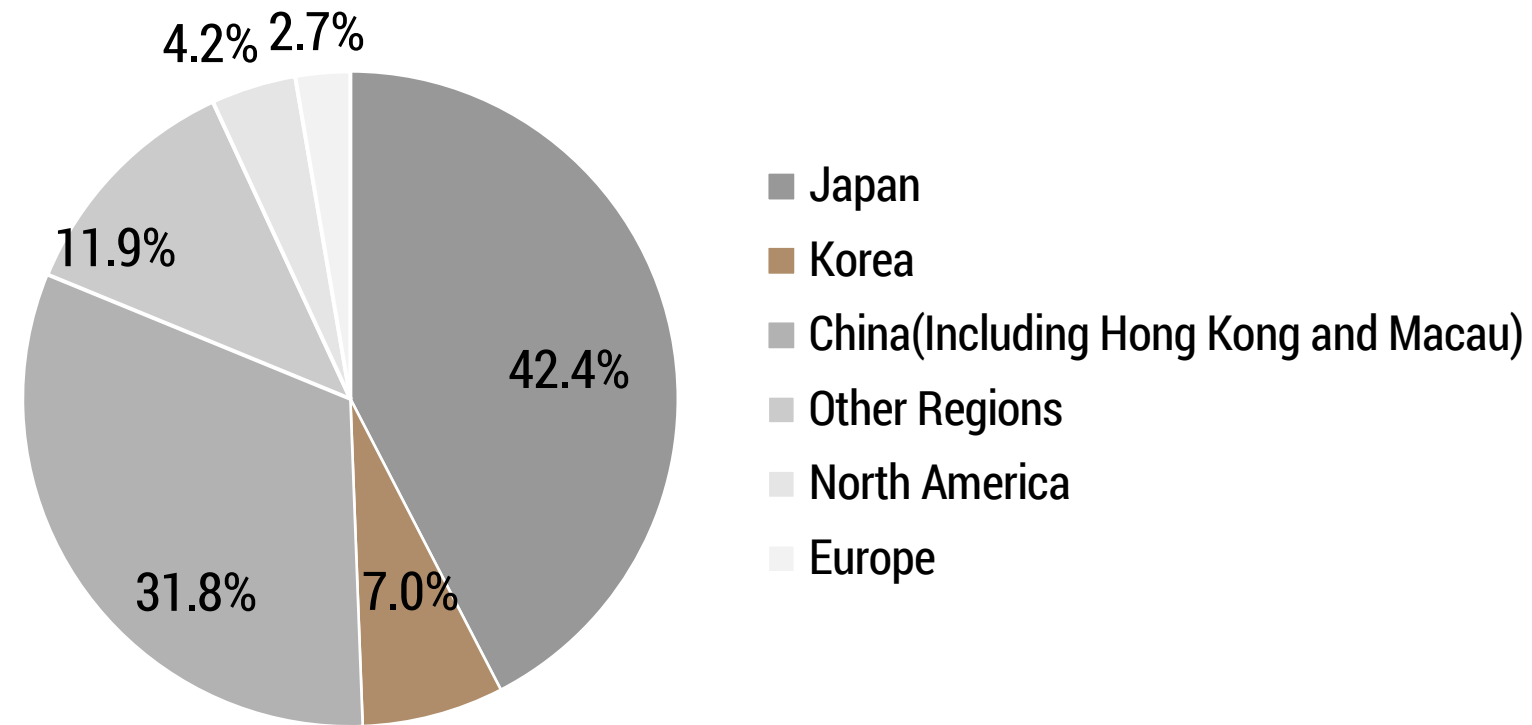
BUSINESS REVIEW BY MARKET

HOME MARKET *KOREA*



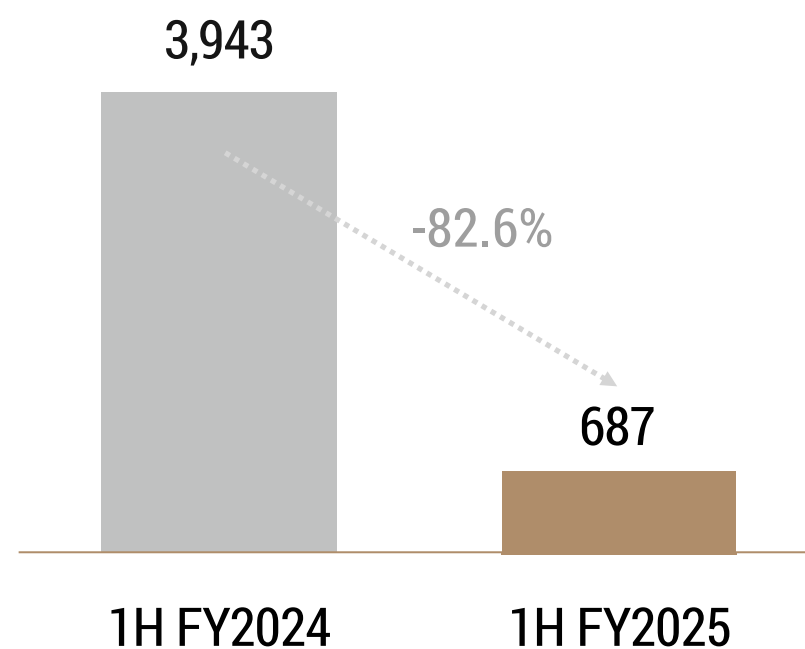
ONGOING CHANNEL OPTIMIZATION FOR BETTER PREPARATION ON PREMIUN-PERFORMANCE SEGMENT EXPANSION

% of Total Sales



NET SALES

JPY MM



MARKET

- Fast growing and under-penetrated market
- **3rd** largest golf market in the world with **USD 3.9 billion** golf apparel sales and **USD 1.1 billion** golf equipment sales in 2022. In addition, Korean golfers spend more per capita on their golf equipment and apparel than any other country.⁽¹⁾
- In 2022, **5.4 million** of 9&18 hole golfers (know as on-course golf players), around **10.4%** of total population in Korea ⁽²⁾

1H FY25 PERFORMANCE HIGHLIGHT

NET SALES -82.6%, GROSS PROFIT MARGIN -22.4PP

- Sales decrease was mainly due to the optimization of distribution network, with POSs decreasing by 61, resulting in a temporary decline in sales, esp. from wholesales.
- Balls and Accessories **achieved high double-digit growth**, benefitting from successful new products launch in early 2024 and distribution adjustment.

Note

(1) Source : Golf Datatech & Yano Research, 2023 World Golf Report

(2) Source: The R&A Global Golf Participation Report 2023

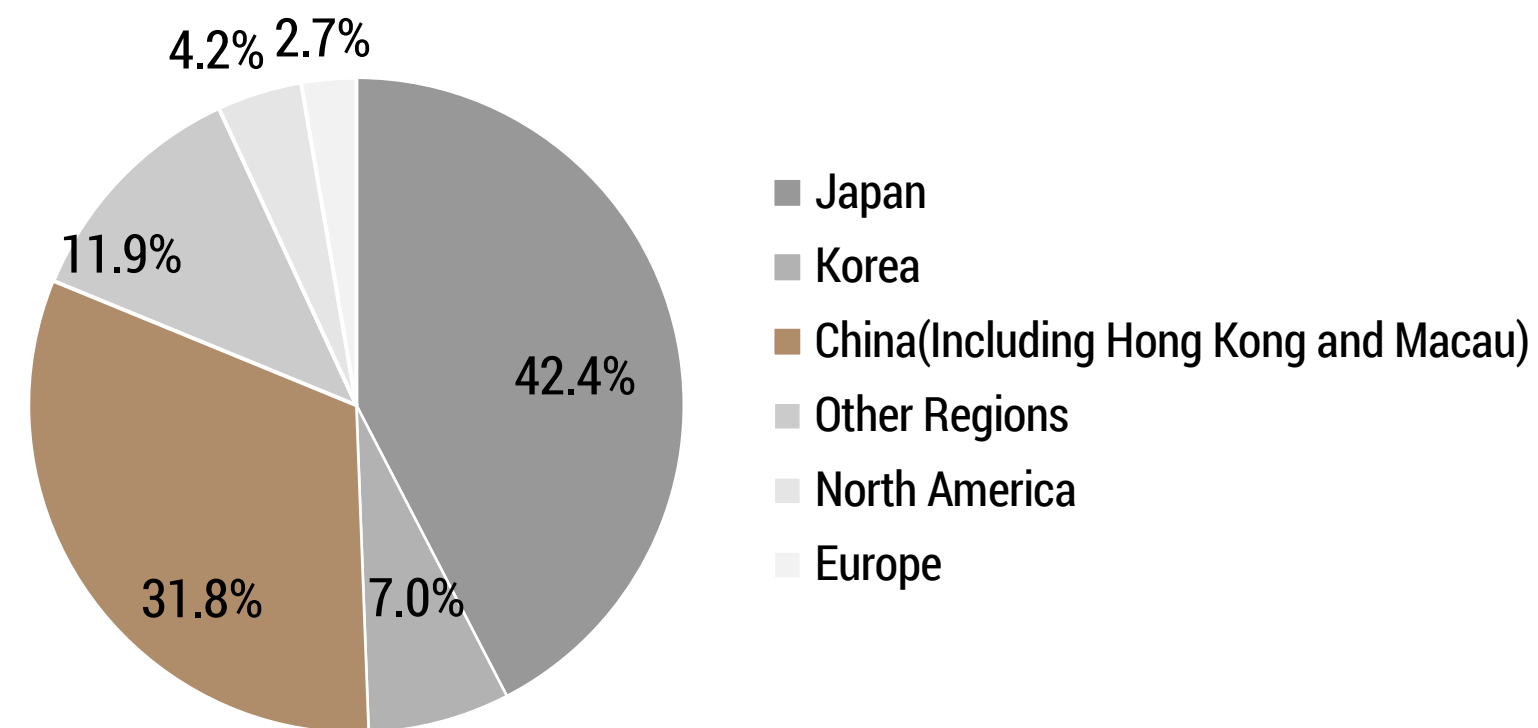
BUSINESS REVIEW BY MARKET

HOME MARKET CHINA (INCL. HK & MACAU)

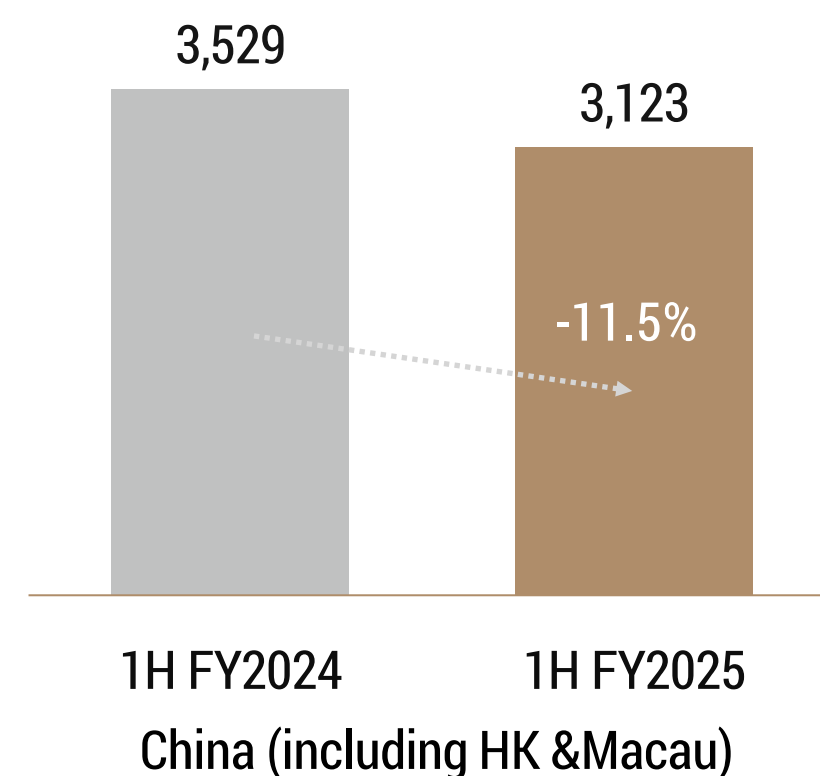


MEANINGFUL APPAREL AND E-COMMERCE GROWTH ALBEIT WEAKENED CONSUMER SENTIMENT

% of Total Sales



NET SALES
JPY MM



MARKET

- Dynamic market with an exciting uptrend in outdoor sports
- Emerging and fast growing golf industry
- 478 golf courses, expanding indoor facilities, around 1 million core golf population⁽¹⁾
- Solid and growing demand in active wear and fashion-athletic apparel

1H FY25 PERFORMANCE HIGHLIGHT

NET SALES -11.5% GROSS PROFIT MARGIN -10.8PP

- Golf club sales -25.4% under the economic slowdown and weakened consumer sentiment
- Sales from self-operated stores +13.0% (mainland China)
- Apparel sales +15.9% (mainland China) and gross margin reached 62.0%
- 'Flagship Store Plan' – iconic stores set up as brand showroom at prime locations in the first tier cities with upgraded visual display

Note

(1) Source : Forward Golf White Paper Report 2020

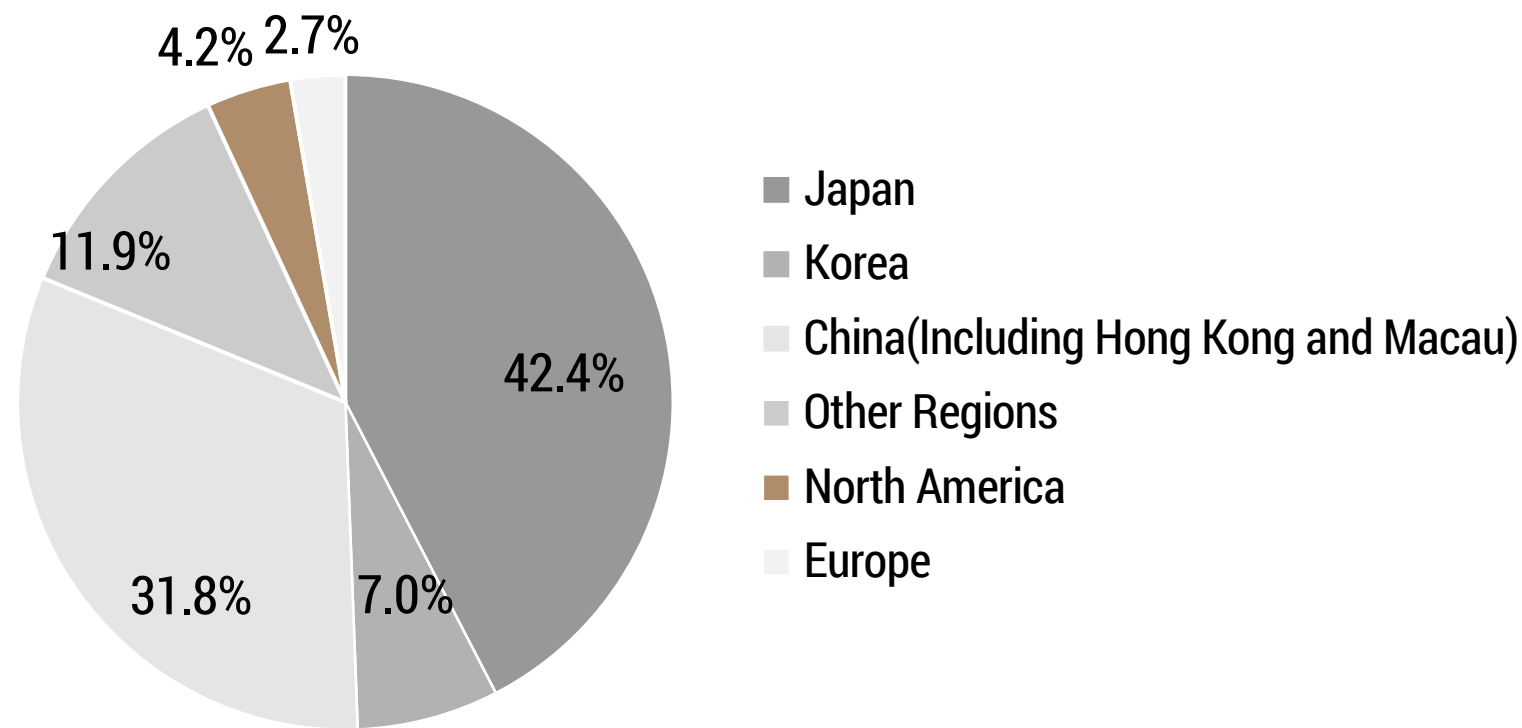
BUSINESS REVIEW BY MARKET

HOME MARKET NORTH AMERICA

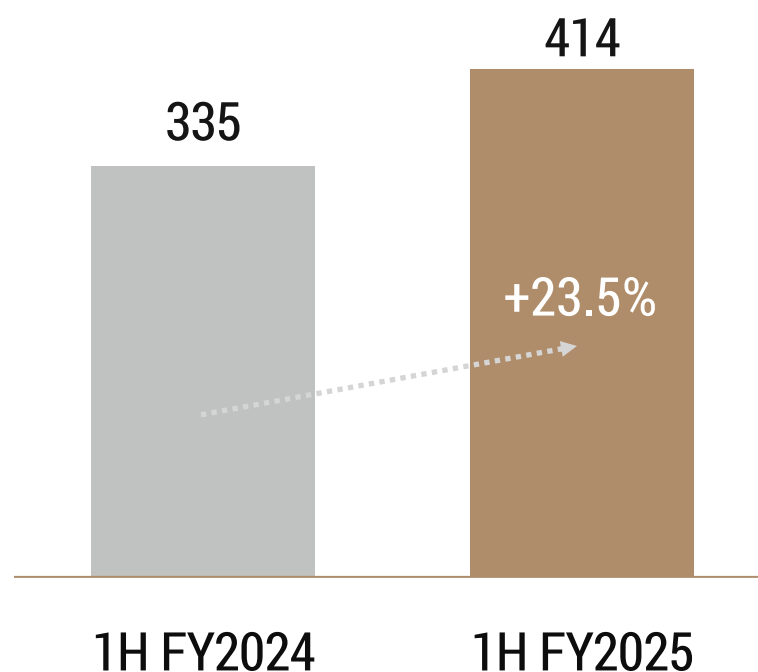


BUILDING A UNIQUE DIRECT-TO-CUSTOMER DISTRIBUTION MODEL TO CAPTURE SUPER-PREMIUM AND PREMIUM-PERFORMANCE SEGMENT

% of Total Sales



NET SALES
JPY MM



MARKET

- Largest golf market in the world with **USD 7.7 billion** golf retail sales, accounting for **38.6%** of the global golf economy, and **USD 5.3 billion** golf equipment sales in 2022 ⁽¹⁾
- **25 million** on-course golf participants and **27.9 million** off-course participants (driving ranges, Topgolf venues, indoor simulators, golf in-school programs, etc.) in 2022 ⁽²⁾

1H FY25 PERFORMANCE HIGHLIGHT

NET SALES +23.5%

- POS +10 to 354 in total
- Sales increase due to recovery from distribution adjustment in previous years

Note

(1) Source : Golf Datatech & Yano Research, 2023 World Golf Report
 (2) National Golf Foundation (2017-2022). Golf Participation in the U.S., 2023 edition. Jupiter. FL

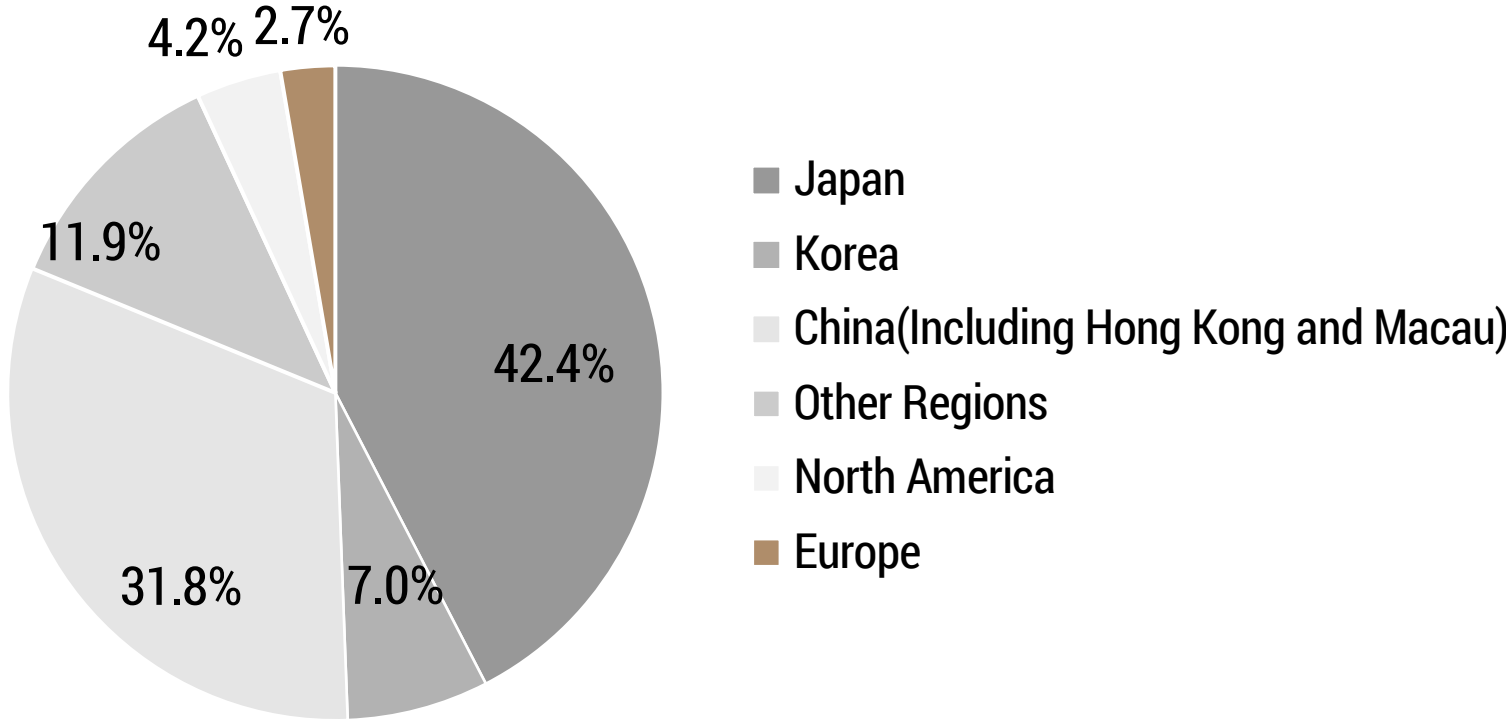
BUSINESS REVIEW BY MARKET

NEW MARKET EUROPE

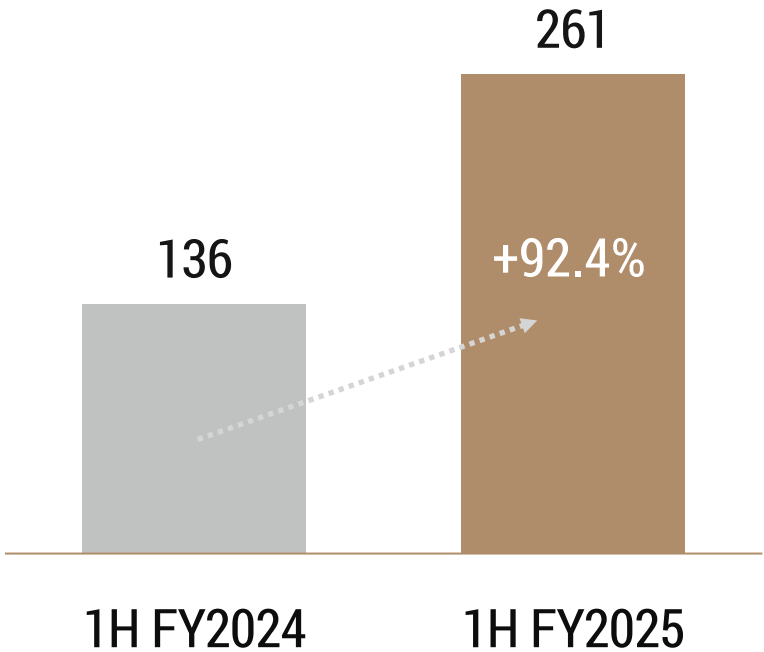


IMPROVED SALES AND PROFIT MARGIN FOLLOWING CHANNEL ADJUSTMENT

% of Total Sales



NET SALES JPY MM



MARKET

- Mature but fragmented golf market
- England, Austria, Germany, France and Sweden in total accounts for around **12%** of the world's golf equipment sales, which approximates to **USD 1 billion** ⁽¹⁾

1H FY25 PERFORMANCE HIGHLIGHT

NET SALES +92.4% GROSS PROFIT MARGIN +5.7PP

- POS **+10** to **139** in total
- Sales increase due to recovery from distribution adjustment in previous years
- Number of POS came back to a well-shaped 139 with a smaller but premier group of retail partners to pursue both sturdy growth and profitability in the region

Note

(1) Source : KGPA, Korea Golf Association 2017

CONSOLIDATED P&L

	For the six months ended 30 September				Period-to-period Change
	2024		2023		
	JPY	%	JPY	%	%
<i>(In thousands, except for percentages and per share data)</i>					
Consolidated Statement of Profit or Loss					
Revenue	9,814,533	100.0	13,194,832	100.0	-25.6
Cost of sales	-4,615,267	-47.0	-6,317,853	-47.9	-26.9
Gross profit	5,199,266	53.0	6,876,979	52.1	-24.4
Other income and gains	56,889	0.6	2,019,415	15.3	-97.2
Selling and distribution expenses	-4,643,379	-47.3	-4,485,975	-34.0	3.5
Administrative expenses	-823,309	-8.4	-680,425	-5.2	21.0
Reversal of impairment losses on financial assets	19,978	0.2	70,853	0.5	-71.8
Other (expenses)/income, net	-1,317,251	-13.4	-73,662	-0.6	1688.2
Finance costs	-111,713	-1.1	-97,102	-0.7	15.0
Finance income	7,608	0.1	5,677	Less than 0.1	34.0
Profit before tax	-1,611,911	-16.4	3,635,760	27.6	-144.3
Income tax expense	766,344	7.8	-306,257	-2.3	-350.2
Net profit	-845,567	-8.6	3,329,503	25.2	-125.4
Earnings per share attributable to ordinary equity holders of the parent					
Basic and diluted	-1.40		5.50		-125.5
Non-IFRS Financial Measures					
Operating (loss)/profit(1)	-351,549	-3.6	1,690,007	12.8	-120.8
Net operating profit(2)	213,504	2.2	1,648,940	12.5	-87.1

Note

(1) Operating (loss)/profit is derived from (loss)/profit before tax by (i) subtracting other income and gains and (ii) adding other expenses. For a reconciliation of operating (loss)/profit to (loss)/profit before tax, see "Management Discussion and Analysis – Financial Review – Non-IFRS Financial Measures – Operating (Loss)/Profit".

(2) Net operating profit is derived from net (loss)/profit by (i) subtracting other income and gains, (ii) adding other expenses and (iii) adding impact on tax related to items (i) and (ii) above. For a reconciliation of net operating profit to net (loss)/profit, see "Management Discussion and Analysis – Financial Review – Non-IFRS Financial Measures – Net Operating Profit".

CONSOLIDATED BALANCE SHEET

	Financial Position as at	
	2024.9.30	2024.3.31
	JPY	JPY
	<i>(In thousands, except for percentages and per share data)</i>	
Consolidated Statement of Financial Position		
Assets		
Non-current assets	9,642,883	8,894,695
Current assets	30,469,246	33,650,502
Total Assets	40,112,129	42,545,197
Liabilities		
Non-current Liabilities	1,858,869	2,190,133
Current Liabilities	11,016,611	11,682,684
Total Liabilities	12,875,480	13,872,817
Net current assets	19,452,635	21,967,818
Total assets less current liabilities	29,095,518	30,862,513
Net Assets	27,236,650	28,672,380
Total Equity	27,236,649	28,672,380

CONSOLIDATED CASH FLOWS

	For the six months ended 30 September	
	2024	2023
	JPY	JPY
	<i>(In thousands, except for percentages and per share data)</i>	
Cash and cash equivalents at the beginning of year	16,617,120	14,084,777
Net cash flows generated from operating activities	4,024,386	3,251,296
Net cash (used in) investing activities	-386,159	-196,923
Net cash flows (used in) financing activities	-1,533,944	-1,449,364
Net increase in cash and cash equivalents	2,104,283	1,605,009
Net effect of foreign exchange rate changes	-666,848	970,178
Cash and cash equivalents at the end of year	18,054,555	16,659,964



HONMA

For more inquiries Please contact
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